UNITED ARTISTS CORP 729-7th Ave NYC

Charge to the account of

$

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DAY LETTER	URGENT RATE
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WESTERN UNION

1211

A. N. WILLIAMS
PRESIDENT

CHECK
ACCOUNTING INFORMATION
TIME FILED

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

JANUARY 2,1947

FOLLOWING WESTERN UNION MESSAGE TO BE SENT TO NAMES & ADDRESSES LISTED BELOW:

****

~~(NIGHT LETTERS)~~

E C MILLS,	630 Fifth Ave., New York, NY
REX DENNANT	c/o Kliel & Loeb Co., 60 E 42nd St., New York, NY
HERBERT P. JACOBI	c/o Schwartz & Frohlich, 1450 Broadway, New York, NY
MILTON A. KRAMER	c/o Paine, Kramer & Marx, 50 Broadway, New York, NY
PHILIP F. SIFF,	131 Riverside Drive, New York, NY
NEIL F. AGNEW	c/o Vanguard Films,Inc., 400 Madison Ave., New York, NY
FRANKLIN COLE,	c/o Cole,Boisington & Co., 120 Broadway, New York, NY
HERMAN WEISMAN,	c/o WEISMAN & GRANT , 295 Madison Ave., New York, NY

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A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION WILL BE HELD ON MONDAY, JANUARY 6,1947, AT 2.30 PM. AT THE OFFICES OF THE CORPORATION, 729 SEVENTH AVENUE, NEW YORK CITY, FOR THE PURPOSE OF DISCUSSING THE ACTION BROUGHT BY VANGUARD FILMS,INC. AGAINST UNITED ARTISTS CORPORATION, IN THE UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF CALIFORNIA, AND FOR THE PURPOSE OF TAKING SUCH ACTION EITHER IN DEFENSE OF SAID ACTION, OR SUCH OTHER PROCEDURE AS MAY BE DETERMINED BY THE BOARD, IN CONNECTION WITH VANGUARD'S AFFAIRS, AND FOR SUCH OTHER BUSINESS AS MAY COME BEFORE THE MEETING.

HARRY J. MULLER, ASST SECTY.

CCWR H J MULLER

Minutes of Meeting of Board of Directors
of United Artists Corporation

A special meeting of the Board of Directors of the United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Monday, January 6, 1947 at 2:30 P.M.

There were present:

Milton A. Kramer
Philip F. Siff
E. Claude Mills
Herbert P. Jacoby
Rex Dennant
Herman L. Weisman
Franklin Cole
Edward C. Raftery

constituting a quorum.

There was also present Harry J. Muller, Assistant Secretary.

Mr. Raftery acted as Chairman and Mr. Muller acted as Secretary.

1. NOTICE OF MEETING

The Meeting was called pursuant to telegraphic notice attached to these minutes.

2. NEIL F. AGNEW

The Chairman stated that there was sent to each member of the Board a copy of the resignation of Neil F. Agnew as a director of United Artists Corporation, also a copy of a request from Mr. Kramer that Mr. Henry M. Marx be elected to fill the vacancy caused by the resignation of Mr. Agnew. Mr. Kramer moved the nomination of Henry M. Marx as a director. Mr. Siff seconded the nomination. Mr. Mills objected on a point of order. Mr. Kramer stated that the last meeting was a special meeting and the Chair ruled that the nomination of Mr. Weisman was in order. The Chairman stated

that the last meeting was a regular meeting and not a special meeting. Mr. Kramer stated that he objected to the use of procedure to suit the needs of those who seem to be in control. Mr. Kramer requested that the nomination of Mr. Marx as a director be the first order of business at the next regular meeting and the Chairman agreed that it would be.

3. MILTON A. KRAMER

In response to a question asked by Mr. Dennant, Mr. Kramer stated that he is neither a director nor an officer of any corporation nor the member of any firm coming within the statements of Article Ninth of the Certificate of Incorporation notwithstanding any articles in the press to the contrary.

4. VANGUARD FILMS, INC.

The Chairman referred to the purpose of this meeting as stated in the telegraphic notice and said that, on the advice of counsel who were recommended by the Special Committee, he caused to be sent over his signature on January 3, 1947 to Vanguard Films, Inc. a notice, copy of which he then distributed to each of the directors present. He stated further that this notice was sent by registered air mail and a copy by night letter to the California address of Vanguard Films, Inc. and by regular mail to the New York address. He requested that the Board in this meeting consider ratification of the notice. Mr Jacoby then moved the following:

WHEREAS, the directors of this company at a meeting held on October 4, 1945, by a unanimous vote, adopted a resolution requesting Management to retain special counsel for the purpose of examining into all the facts relating to the performance of the various contracts between the company and Vanguard Films, Inc. and Mr. David O. Selznick, dated October 4, 1941, pursuant to which resolution Management did retain the law firm of Pepper, Bodine & Stokes of Philadelphia to make such examination and render an opinion thereon; and

WHEREAS, the firm of Pepper, Bodine & Stokes did render their opinion pursuant to such engagement under date of October 29, 1946, which concluded, among other things, on the basis of an analysis of facts therein contained that Vanguard Films, Inc. and David O. Selznick had engaged in acts which amounted to a material failure in the performance by Vanguard Films and Mr. Selznick of their respective contracts with the company, dated October 4, 1941, and that on account thereof the company was discharged from all obligations to accept for distribution any additional pictures under the Distribution Agreement of October 4, 1941 and from all obligations for further loans or advances under the related Loan Agreement; and

WHEREAS the stockholders of this company at a meeting held November 11, 1946, after due consideration of said legal opinion dated October 29, 1946, adopted, by a vote of 8,000 shares for, to none against, a resolution requesting the Board of Directors to take action in the following respect:

"FIRST: to serve notice upon Vanguard Films and David O. Selznick of the rescission of the outstanding contracts between each of them and the company, based upon the transactions of Selznick and Vanguard Films with RKO-Radio Pictures, and any other similar transactions between said companies and any other person or persons.

That, secondly, action be instituted in New York State on behalf of the company against Vanguard Films and Selznick for rescission and for such other further and different relief as may be proper in the premises.

That counsel, other than those presently acting for the company, be retained to initiate that proceeding.

That this company, in order not to jeopardize or impair such issues as may arise in said litigations, refuse to distribute and reject delivery of a picture, Duel In The Sun, and any other picture or pictures that may be tendered by Vanguard or Selznick until such time as the aforementioned actions are finally and judicially determined, and, finally, that the Board of Directors, at the earliest possible moment, consider the advisability of ceasing to distribute the films currently in this company's hands from Vanguard or Selznick, and upon such reflection and determination either cease such distribution and return the films and distribution rights to Vanguard and/or Selznick or another determination, continue to do so upon proper safeguards before the litigations aforementioned."

WHEREAS, Vanguard Films, Inc. was represented at said meeting of stockholders of November 11, 1946 (the 4,000 shares of United Artists stock standing in the name of Vanguard Films, Inc. not being voted against said resolution); and

WHEREAS, the directors of this company at a meeting held November 29, 1946, after due consideration of said legal opinion of Pepper, Bodine & Stokes, which had been circulated among the directors prior to the meeting, adopted a resolution to the effect that United Artists on the one hand and Vanguard Films Inc. and David O. Selznick on the other enter into a "without-prejudice" agreement, during the pendency of which Vanguard Films and David O. Selznick would have the opportunity of presenting such facts and considerations as they deem proper in relation to the contents of said legal opinion of Pepper, Bodine & Stokes and any action to be taken by the

Company thereon provided that said "without prejudice" agreement be made by Vanguard Films and David O. Selznick prior to December 10, 1946; and

WHEREAS Vanguard Films Inc. and David O. Selznick failed and refused to enter into such "without prejudice" agreement; and

WHEREAS under date of December 2, 1946, Vanguard Films, Inc. by E. L. Scanlon, Vice President, telegraphed this company as follows:

> "For your information Vanguard proposes to start photography of fifth picture "Paradine Case" on December 12th. In accordance with provisions of Loan Agreement please instruct Harry Muller to make telegraphic transfer of $200,000 to Vanguard's account at Security First National Bank Culver City Branch on or before two days prior to proposed commencement date"

WHEREAS under date of December 6, 1946, Vanguard Films, Inc. wrote to United Artists charging violations and breaches by United Artists of the Distribution Agreement of October 4, 1941 between United Artists and Vanguard Films, Inc. as assignee, more particularly as set forth in that communication; and

WHEREAS this Board of Directors at its regular meeting held on December 10, 1946, adopted certain resolutions, a copy of which was transmitted to Vanguard Films, Inc.;

WHEREAS, under date of December 11, 1946, Vanguard Films, Inc. by E. L. Scanlon, Vice President, telegraphed United Artists asserting, among other things, that Vanguard regarded the deferring of distribution of "Duel In The Sun" to be a default under the Distribution Agreement of October 1, 1941, between United Artists and Vanguard Films, Inc.;

WHEREAS, Vanguard Films, Inc. thereafter commenced legal proceedings against United Artists in the United States District Court for the Southern District of California, asserting, among other things, a claim that the terms of said Distribution Agreement of October 4, 1941 are "substantially more favorable" to Vanguard Films, Inc. "than the terms

ordinarily and customarily granted producers by distributors of motion pictures";

WHEREAS, under date of December 23, 1946, Vanguard Films, Inc. by Neil F. Agnew, Vice President, wrote this company in respect to continued distribution of pictures produced by Vanguard Films, Inc. and presently in the course of distribution by United Artists under said Distribution Agreement of October 4, 1941; and

WHEREAS, the committee of this Board appointed at its meeting of December 10, 1946, to consult with Messrs. Davis Polk Wardwell Sunderland & Kiendl, have conferred with said firm and received advice in accordance with which a certain notice dated January 3, 1947 was transmitted to Vanguard Films, Inc. and to Loyd Wright;

NOW, THEREFORE, BE IT

RESOLVED, that the action of the Management set forth in the notice to Vanguard Films, Inc. dated January 3, 1947, copy of which is annexed to the minutes of this meeting, and the transmittal of said notice to Vanguard Films, Inc., be and the same hereby are ratified and confirmed in all respects; and be it

FURTHER RESOLVED, that the Management is directed to transmit immediately to Loyd E. Wright, as Depositee under the Deposit Agreement dated October 4, 1941, 111 West Seventh Street, Los Angeles, California, a demand in the form attached to the minutes of this meeting; and be it

FURTHER RESOLVED, that the Committee of this Board of Directors appointed at its meeting of December 10, 1946, be and it is hereby authorized and directed to take any and all action which in their judgment may be advisable or necessary to protect the interests of the

company in the litigation commenced by Vanguard Films, Inc., including the retention of California counsel, and to continue to confer with Davis, Polk, Wardwell, Sunderland & Kiendl as long as it may be advisable or necessary to do so; and be it

FURTHER RESOLVED, that subject to the further direction of this Board, the said Committee be and it is hereby delegated with sole and exclusive authority of this Board of Directors, with the approval of special counsel for the company, to deal with all matters advisable and necessary for the protection of the company that may arise from any pending or future litigation between this company and Vanguard Films, Inc. and/or David O. Selznick and/or any other litigation that may arise under any of the contracts dated October 4, 1941 and amendments thereto; and Management is hereby directed that any and all steps or acts relating to the matters placed in the exclusive charge of said Committee be undertaken and carried out only with the approval, consent, or by direction of said Committee.

In connection with that resolution, Mr. Jacoby stated that he had a proposed notice to be transmitted to Mr. Loyd Wright, reading as follows:

United Artists Corporation
TELEPHONE BRYANT 9-7300
729 SEVENTH AVE.
NEW YORK 19, N. Y.
MARY PICKFORD
CHARLIE CHAPLIN
DAVID O. SELZNICK

January 6, 1947

Loyd E. Wright, Esq.,
111 West Seventh St.,
Los Angeles, Calif.

Dear Sir:

We have heretofore forwarded to you a copy of our communication of January 3, 1947 to Vanguard Films, Inc., copy of which we also enclose herewith.

For the purposes stated in said communication to Vanguard Films, Inc., we hereby demand that you, as Depositee under the Deposit Agreement of October 4, 1941, forthwith deliver to Vanguard Films, Inc., the $300,000 heretofore deposited by said company with you in connection with the acquisition of 4,000 shares of United Artists stock and simultaneously deliver to United Artists, Att. Harry J. Muller, Treasurer, at 729 Seventh Avenue, New York City, 4,000 shares of its stock, which you presently hold, endorsed in blank by Vanguard Films, Inc.

Very truly yours,

UNITED ARTISTS CORPORATION

By:
Edward C. Raftery,
President

ENCL.

Registered airmail

Mr. Dennant seconded the motion. Mr. Kramer stated that when he voted on this resolution, he would request the Chair to include his objections with the resolution. Messrs. Kramer and Siff voted No, all other directors present voted Yes. Mr. Kramer stated that he objected to the resolution in that it contains inaccurate and incorrect recitals of fact and that further, that it contains statements of alleged fact which are no proper part of the resolution and he objects to the resolution itself in that it is an improper delegation of authority, illegal and in violation of the laws of the State of Delaware. He requested that the foregoing be contained in any certified copy of the resolution to be delivered to anyone. Mr. Siff stated that he voted No because he feels that the resolution is ill-advised and not to the best interests of the corporation. The Chair ruled that the statements are no proper part of the resolution and certainly will not be incorporated so far as he is concerned in any certified copy furnished to anyone. Mr. Kramer requested that his exception to this ruling of the Chair be noted.

The meeting then adjourned.

Edward C. Raftery, Chairman

Harry J. Muller, Secretary

United Artists Corporation
TELEPHONE BRYANT 9-7300
729 SEVENTH AVE.
NEW YORK 19, N. Y.
MARY PICKFORD
CHARLIE CHAPLIN
DAVID O. SELZNICK

January 3, 1947

Vanguard Films, Inc.,
9336 Washington Boulevard
Culver City, California

Dear Sirs:

We have received the various communications which you addressed to this company, dated December 2, 6, 11 and 24, 1946, and have examined the contents of the verified complaint in the action you commenced recently against this company in the United States District Court for the Southern District of California. Without attempting at this time to answer these communications or the allegations of your complaint, and without waiving any other rights, we deem it advisable to notify you forthwith as follows:

Please be advised that because of the material breaches by Vanguard Films, Inc. and David O. Selznick of their agreements with United Artists, dated October 4, 1941, arising out of any and all transactions by or between Vanguard Films, Inc. and David O. Selznick on the one hand with RKO Radio Pictures, Inc. or with any other party or parties on the other, and also arising from the statements, notices and acts by Vanguard Films, Inc. during the month of December 1946, the Distribution and Loan Agreements of October 4, 1941 between United Artists and Vanguard Films, Inc. as assignee, in so far as they remain unexecuted by both Vanguard Films, Inc. and United Artists, are hereby and forthwith terminated and rescinded as herein provided.

Please be further advised that in order to accomplish said termination and said rescission of said agreements on a basis equitable to both parties in all respects,

1) United Artists hereby tenders continued distribution under the terms of said Distribution and said Loan Agreements of the three motion pictures production and delivery of which have been completed by Vanguard Films, Inc.,

2) in view of the claim asserted in your action against this company that the terms of said Distribution Agreement are "substantially more favorable" to Vanguard Films, Inc. "than the terms ordinarily and customarily granted producers by distributors of motion pictures," United Artists offers to distribute, under the terms of said Distribution and said Loan Agreements, the motion picture "Duel In The Sun", subject, however, to delivery to United Artists of said picture within a reasonable time following receipt of this notice.

3) United Artists will apply the receipts of distribution toward payment of all loans and advances, heretofore made by United Artists to Vanguard Films, Inc., and

4) except as herein provided, United Artists will not distribute any pictures under said Distribution Agreement, nor will United Artists comply with any request for loans under said Loan Agreement,

5) the foregoing tender and offer all being made solely in furtherance of termination and rescission of the said Distribution Agreement and of the said Loan Agreement, in so far as they remain unexecuted by both parties.

Please be further advised that in view of the material breaches by Vanguard Films, Inc. and David O. Selznick, heretofore mentioned, all the remaining contracts of October 4, 1941 between United Artists and Vanguard Films, Inc., as assignee, including the Stock Purchase Agreement, the Collateral Stock Purchase Agreement and the Deposit Agreement, are hereby and forthwith terminated and rescinded, and consequent restitution is hereby demanded of the 4,000 shares of United Artists stock endorsed in blank by Vanguard Films, Inc. In furtherance of said termination, rescission and demand for restitution, United Artists is demanding that the Depositee forthwith deliver to Vanguard Films, Inc. the $400,000 deposited by said company and simultaneously to United Artists the said 4,000 shares of stock.

Very truly yours,

UNITED ARTISTS CORPORATION

By Edward C. Raftery
per H.J.M. (Signed)
Edward C. Raftery
President

CC:
Vanguard Films, Inc.,
400 Madison Avenue,
New York, N.Y.

Lloyd Wright, Esq.,
111 West 7th Street
Los Angeles, California

Charge to the account of UNITED ARTISTS CORP 729-7th Ave., N Y,C.

WESTERN UNION

A. N. WILLIAMS
PRESIDENT

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

JAN 9,1947

PLEASE SEND THE FOLLOWING NIGHT LETTER VIA WESTERN UNION TO THE NAMES LISTED BELOW:

::::::::::::::::::::::::

E C MILLS,	630 Fifth Ave., New York, NY
REX DUNHANT	c/o Eliel & Loeb Co., 60 E 42nd St., New York, NY
HERBERT P JACOBY	" Schwartz & Frohlich, 1430 Broadway, New York, NY
MILTON A KRAMER	" Paine, Krumer & Marx, 90 Broadway, New York, NY
PHILIP P SIFF	131 Riverside Drive, New York, NY
FRANKLIN COLE	" Cole, Hoisington & Co., 120 Broadway, New York, NY
FREMAN WEISMAN	" Weisman & Grant, 295 Madison Ave., New York, NY

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A REGULAR MEETING OF THE BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION WILL BE HELD ON TUESDAY, JANUARY 14,1947, AT THE OFFICES OF THE CORPORATION AT 729 SEVENTH AVENUE, NEW YORK,NY.n AT 2 P.M.

HARRY J MULLER, ASST SECTY

MINUTES OF MEETING OF BOARD OF DIRECTORS
OF UNITED ARTISTS CORPORATION

A meeting of the Board of Directors of United Artists Corporation was held at the office of the Corporation, 729 Seventh Avenue, New York, N.Y., Tuesday, January 14, 1947 at 2 P.M.

There were present:

Philip F. Siff
Herbert P. Jacoby
E. Claude Mills
Rex Dennant
Herman L. Weisman
Franklin Cole
Edward C. Raftery

constituting a quorum.

There was also present Harry J. Muller, Assistant Secretary.

Mr. Raftery acted as Chairman and Mr. Muller acted as Secretary.

1. NOTICE OF MEETING

The meeting was called pursuant to telegraphic notice attached to these minutes.

2. MINUTES OF PREVIOUS MEETING

The minutes of the previous meeting having been distributed to all directors and stockholders, Mr. Jacoby moved to dispense with the reading of them. Mr. Siff seconded the motion and it was carried unanimously.

3. HENRY M. MARX

The Chairman stated that the next order of business was the nomination of Henry M. Marx as a director. Mr. Jacoby inquired whether, in voting on the motion, he was correct in the understanding that in filling the vacancy occasioned by Mr. Agnew's resignation, this Board of Directors was exercising one of the powers vested in it by the By-Laws to choose a person who would

represent all of the stockholders on the Board. He stated that it was his view that the Board in selecting a new director was carrying out one of its duties in accordance with the By-Law provisions and was not agreeing to seat a person designated as such solely by and on behalf of Vanguard Films Inc. Mr. Raftery pointed out that a "gentlemen's agreement" existed among the directors to the effect that should a vacancy occur, the directors would vote for a person nominated by the stockholder who had voted at the Annual Meeting for the director who had resigned. Mr. Mills then inquired whether, in view of the dispute regarding the ownership of the stock registered in the name of Vanguard Films Inc., the corporation would be waiving any of its rights against Vanguard Films Inc. in the event that the directors complied with the "gentlemen's agreement". Mr. Raftery indicated that no such waiver would take place, and referred to certain letters which he had received from Loyd Wright, copies of which he stated would be distributed among the directors at a later point in the meeting. Mr. Marx was elected as a director, Mr. Weisman not voting, all other directors voting in favor.

At this point, Mr. Marx was invited to the meeting, was introduced to the other members of the Board and took his seat at the Board.

Mr. Bagnall was also invited to and entered the meeting.

4. REPORT BY MR. SEARS ON LATIN AMERICA

The Chairman explained that Mr. Sears' report on Latin America is not completed but he will have it for the next meeting of the Board.

5. PRODUCT REPORT BY MR. BAGNALL

Mr. Bagnall distributed to the members present a list showing pictures delivered not released, pictures in production not delivered, pictures in preparation with tentative starting dates and other product. There was discussion concerning the product listed.

At this point, Mr. Sears, who had been invited to the meeting, entered the Board room.

6. CALIFORNIA PICTURES CORPORATION

The Chairman explained that Mr. Hughes is giving us in the picture THE SIN OF HAROLD DIDDLEBOCK what he agreed to give us, namely, a picture produced by Preston Sturges. With respect to VENDETTA, we are asked by the banks to modify the distribution contract to permit the picture to be produced by either Preston Sturges or Howard Hughes. When the question was raised concerning censorship of the picture THE OUTLAW, the Chairman stated that Mr. Hughes has actually cut the picture to meet the various objections which have been raised. He furthermore stated that the script of VENDETTA has the approval of the Breen office. Mr. Mills moved that Management be authorized to amend the California Pictures Corporation contract to such an extent as may be necessary to accept either Howard Hughes or Preston Sturges as the producer. Mr. Jacoby seconded the motion and it was carried. Mr. Marx requested that he be recorded as not voting because of his unfamiliarity with United Artists Corporation matters.

7. "THIS SIDE OF INNOCENCE"

The Chairman stated that the distribution contract covering THIS SIDE OF INNOCENCE was signed last Thursday.

8. ENTERPRISE PRODUCTIONS, INC.

The Chairman stated that the Enterprise distribution contract would be signed by David Loew today.

9. DEALS NOT YET SIGNED

The Chairman stated that the Wanger, Roach and Lantz deals were not yet signed but that Mr. Wanger's proposed modifications have been received and

it is expected that this matter will be cleaned up this week.

10. VANGUARD FILMS, INC.

The Chairman referred to a letter from Vanguard Films, Inc. dated January 9, 1947, copies of which were distributed before the start of the meeting and to a letter dated January 10, 1947 from Loyd Wright to United Artists Corporation and a copy of a letter dated January 10, 1947 from Loyd Wright to Vanguard Films, Inc. Copies of the Loyd Wright letters were later distributed to each member present. Mr. Weisman then read the report of the Sub-Committee concerning the Vanguard litigation and the Chairman asked if there were any comments. There being none, he directed the Secretary to spread the Sub-Committee's report upon the minutes. The report is as follows:

"INTERIM REPORT OF THE SUBCOMMITTEE
APPOINTED BY THE BOARD OF DIRECTORS
OF UNITED ARTISTS ON DECEMBER 10,1946.

Your Committee had its first conference with Davis, Polk, Wardwell, Sunderland & Kiendl on December 11, 1946. They were engaged as special counsel and with the knowledge of the Committee conducted a number of interviews besides examining relevent data. Meetings were also had regarding the lawsuit against the company, commenced by Vanguard Films, Inc. in the California Federal Court.

On January 3, 1947 the Committee received from special counsel advice and instruments implementing the same, which were confirmatory of opinions previously expressed in conference to your Committee.

The President of the company, having been kept fully advised both by your Committee and by special counsel, mailed the requisite instruments on January 3, 1947.

The special meeting of our Board on January 6, 1947 approved and ratified the steps taken and the minutes of that meeting incorporate copies of the communications referred to. The Board at that special meeting adopted another resolution further defining the work of the Subcommittee which, among other things, included retention of California counsel to defend the lawsuit above mentioned. Your Committee has taken steps to retain one of the California law firms originally among the first three of the firms recommended for consideration by special counsel in New York.

Respectfully submitted,

E. C. MILLS
HERMAN L. WEISMAN

Dated: January 14, 1947."

11. CONSENT DECREE

Mr. Mills asked what effect the Consent Decree would have on United Artists Corporation and the Chairman then explained a number of phases of the Decree.

12. FINANCIAL REPORTS

Mr. Muller then distributed to the directors present the following:

Estimated World-Wide Profit and Loss for the 48 weeks ending November 30, 1946.

Condensed Operating Statement (Foreign only) for the 48 weeks ending November 30, 1946.

Foreign Cabled Report dated November 30, 1946.

Tentative Consolidated Balance Sheet and Tentative Consolidated Income Statement as at November 2, 1946, with certain exceptions.

13. COMPANY OWNED PICTURES

There was discussion concerning the negotiations with Jack Grinieff, George Schaefer and others for company owned pictures and a suggestion was made to sell the 16 mm. non-theatrical rights separate and apart from the theatrical rights and a further suggestion to limit the period of the grant. The Chairman stated that he would endeavor to negotiate for a limited period of five years in each territory with a maximum of seven years, we to retain the copyrights, the television rights, the radio rights and the re-make rights wherever we have such rights.

The meeting then adjourned.

Edward C. Raftery, Chairman

Harry J. Muller, Secretary

Charge to the account of UNITED ARTISTS CORP 729-7th Ave NYC $

WESTERN UNION

1211

A. N. WILLIAMS
PRESIDENT

CHECK

ACCOUNTING INFORMATION

TIME FILED

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

STRAIGHT WIRE

FOLLOWING WESTERN UNION ~~INTERNATIONAL~~ JAN 20,1947
TO BE SENT TO NAMES LISTED BELOW

::

N.C.MILLS,	630 FIFTH AVE NEW YORK, N.Y.
REX DENNANT	c/o Ehtel & Loeb Co., 60 E 42nd St., New York, N.Y.
HERBERT P JACOBY	" Schwartz & Frohlich, 1450 Broadway, NEW YORK, N.Y.
HENRY MARX	" Paine, Krumer & Marx, 50 Broadway, New York, N.Y.
MILTON A KRUMER	" Paine, Krumer & Marx, 50 Broadway, N.Y.C.
PHILIP F SIPP	131 Riversidr Drive, New York, N.Y.
FRANKLIN COLE	" Cole, Heisington & Co., 120 Broadway, New York, N.Y.
HERMAN WEINMAN,	" WEINMAN & GRANT, 295 Madison Ave., New York, N.Y.

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A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION WILL BE HELD ON WEDNESDAY, JANUARY 22,1947, AT 2 P.M., AT THE OFFICES OF THE CORP., 729-7th Ave., N.Y.C. FOR THE PURPOSE OF CONSIDERING THE FOLLOWING:

1. PROPOSED DEAL FOR SALE OF REISSUE RIGHTS TO PICTURES OF UNITED ARTISTS PRODUCTIONS,INC.
2. " " WITH KURT STRONBERG TO EXTEND HIS CONTRACT FOR 3 YEARS
3. " " WITH JOHN FORD
4. " " WITH PHILIP JORDAN
5. " " WITH SIDNEY BUCHMAN
6. RE-DISCUSSION OF HAL ROACH AND WALTER WANGER DEALS
7. DISCUSSION OF SHORT SUBJECTS PROPOSAL AND OTHER ADDITIONAL PRODUCT DEALS AND SUCH OTHER BUSINESS AS MAY COME BEFORE THE MEETING.

HARRY J. MULLER, ASST SECTY

MINUTES OF MEETING OF BOARD OF DIRECTORS
OF UNITED ARTISTS CORPORATION

A special meeting of the Board of Directors of the United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Wednesday, January 22, 1947 at 2 P.M.

There were present:

Milton A. Kramer
Philip F. Siff
E. Claude Mills
Herbert P. Jacoby
Rex Dennant
Herman L. Weisman
Franklin Cole
Edward C. Raftery

constituting a quorum.

There were also present Gradwell L. Sears and George L. Bagnall, Vice Presidents and Harry J. Muller, Assistant Secretary.

Mr. Raftery acted as Chairman and Mr. Muller acted as Secretary.

1. NOTICE OF MEETING

The meeting was called pursuant to telegraphic notice attached to these minutes.

2. MINUTES OF PREVIOUS MEETING

Inasmuch as the minutes of the previous meeting were not yet circulated, no action was taken with respect to them.

3. COMPANY OWNED PICTURES

The Chairman stated that he and Mr. Bagnall had a meeting with Mr. Jack Grinieff yesterday after which he prepared a memorandum reporting Mr. Grinieff's final proposition which he then distributed to the directors present. He stated that Mr. Grinieff phoned him today and asked for the right to meet any offer we have for 16 mm. non-theatrical rights, or at least the 16 mm. non-theatrical rights for Continental Europe. Mr. Mills stated that in any arrangement he wanted to be

sure that the company did not convey the negatives and the Chairman assured him that the negatives would not get out of the control of the company. Mr. Kramer stated that Mr. O'Shea informed him that he felt that the non-theatrical rights should be sold, if possible, to the purchaser of the theatrical rights, to avoid the corporation's being in the middle of numerous disputes. After further discussion, Mr. Weisman moved that Management be authorized to accept the Grinieff proposal of January 21, 1947 and, in addition thereto, offer to sell to him the 16 mm. non-theatrical rights to the same group of pictures, subject to outstanding commitments already in effect, for the sum of $200,000 plus 25% of the profit as defined in the theatrical part of the transaction, with a right on his part to retain the first $50,000 of profit from the non-theatrical 16 mm. rights, it being understood that the making of the first part of the deal is not conditioned on the second. Mr. Jacoby seconded the motion and it was carried unanimously.

4. HUNT STROMBERG

Mr. Bagnall stated that he had a proposed deal with Hunt Stromberg for three years at 25% on English speaking countries, regular terms on all foreign language countries, for not less than one nor more than three pictures per year, United Artists Corporation to have no controls but Mr. Stromberg must be the executive producer of the pictures. There is to be no financing and no profit participation. The Chairman stated that Mr. Stromberg will have control of the company which produces the picture. Mr. Mills moved that Management be authorized to execute the proposed deal with Hunt Stromberg. Mr. Siff raised the question about what additional costs, if any, were likely to be incurred because of new methods of selling required under the Consent Decree. Mr. Cole spoke about a possible escalator clause which would provide that the distribution fee would go up if Price, Waterhouse & Co. found that our costs were up. Mr. Bagnall stated that Mr. Stromberg wanted a two year deal but Bagnall talked him into a three

year deal. Mr. Raftery recommended a three year deal. Mr. Dennant seconded the motion and it was carried unanimously.

4. ARGOSY CORPORATION (JOHN FORD AND MERIAN COOPER)

Mr. Bagnall distributed to the directors present two deals proposed by Argosy Corporation. Mr. Weisman moved to table this matter with instructions to Mr. Bagnall to approach the Argosy Corporation to see if a deal can be made on the same terms as the Hunt Stromberg deal. Mr. Mills seconded the motion and it was carried, all directors present voting in favor except Mr. Siff who voted No with the explanation that he did not oppose tabling the matter but he did oppose a long term deal.

5. PHILIP YORDAN

The Chairman stated that Mr. Yordan is a writer who was Assistant Producer on a group of Nebenzal pictures. He has proposed that he be awarded a contract to make one picture in 1947, terms to be 27½% for U.S., Canada and England and regular terms for the rest of the world, to be based upon any one of three properties, United Artists Corporation's decision to be final. The properties are, GLASS HEART, SAMUEL COLT and JOE MACBETH. Messrs. Sears, Raftery and Bagnall recommend a deal on JOE MACBETH. Mr. Mills moved that Management be authorized to make this deal on the terms stated in the agenda based upon the story JOE MACBETH, for delivery not later than May 1, 1948. Mr. Raftery seconded the motion. Mr.Kramer voted No, Mr. Weisman did not vote, all other directors present voted in favor of the motion and the Chair ruled the motion carried.

6. SIDNEY BUCHMAN

The Chairman referred to the Sidney Buchman matter on the agenda. Mr. Bagnall stated that Mr. Buchman made THE JOLSON STORY although he did not get screen creditfor it. The Chairman suggested that this matter be tabled until there is

something more concrete. Mr. Mills moved that this matter be tabled. Mr. Cole seconded the motion and it was carried.

7. EDWARD SMALL

Mr. Bagnall stated that Mr. Small desired to make a three picture deal with us based upon the following:-

One picture with Harpo and Chico Marx from a Ben Hecht original story.

A second picture called BENEFIT PERFORMANCE, with Don Ameche and a comparable girl, such as Joan Bennett or Susan Hayward, and

A third picture called F.B.I. VS. SCOTLAND YARD with Dennis O'Keefe, Louis Hayward and a girl of similar stature.

Mr. Bagnall stated that percentage terms were not discussed but Mr. Small would probably want the same terms as he received on VALENTINO. Mr. Mills stated that when there is a concrete proposal, the Board would consider it. Mr. Bagnall then asked what action the Board would take on a definite proposition from Mr. Small for these three pictures at 25% terms for United States, Canada and England and standard terms for the rest of the world and Mr. Mills moved to reject the proposal. Mr. Jacoby seconded the motion and it was carried.

8. JOHN GRIERSON

There was discussion concerning the John Grierson situation and the fact that he delivered two pictures which are unacceptable and he has been unable to make deliveries under his contract because of lack of finance. Mr. Mills moved that Management be authorized to terminate the Grierson contract, giving Mr. Grierson whatever legal notice is required. This motion was seconded and carried unanimously.

9. BUZZY SHEFTEL

Mr. Sears stated that Mr. Sheftel has a tie-up with Newsweek Magazine and is making a series of so-called Typical American short subjects. The first one is on the subject of divorce and another one will be on the subject of gambling.

The pictures run eight or nine minutes and Mr. Sheftel has connections with the Newsreel Theatres. The deal would be 35% for United States; the producer to supply all prints and advertising. The rest of the world was not discussed. Mr. Mills moved to table the matter. Mr. Kramer seconded the motion and it was carried.

10. HAL ROACH AND WALTER WANGER

The Chairman stated that the Roach and Wanger deals were to be executed simultaneously. Mr. Roach has agreed on the form of contract and is ready to execute it as he wants to go ahead with a feature with a budget of $1,000,000. With respect to the Wanger contract, Mr. Wanger's lawyer and partner, Mr. Tannenbaum, raised 24 points in connection with the proposed contract which the Chairman answered seriatim by night letter about a week ago and he has heard nothing since from Mr. Tannenbaum. There was discussion concerning the possibility of signing with Mr. Roach alone on higher distribution terms but it was agreed that Messrs. Raftery and Sears would endeavor to secure the Wanger signature.

At this point Mr. Cole asked to be excused and left the meeting.

11. EDWARD SMALL

The Chairman stated that Mr. Small wants to make CAGLIOSTRO in Italy and he would like to turn over to us an Italian version, a French version and an English version; United Artists Corporation to advance one-third of the cost in Lira. No action was taken with respect to this matter.

The meeting then adjourned.

Edward C. Raftery, Chairman

Harry J. Muller, Secretary

Charge to the account of UNITED ARTISTS CORP 729-7th Ave NYC

CLASS OF SERVICE DESIRED

DOMESTIC		CABLE	
TELEGRAM		ORDINARY	
DAY LETTER		URGENT RATE	
SERIAL		DEFERRED	
NIGHT LETTER	✓	NIGHT LETTER	

Patrons should check class of service desired; otherwise the message will be transmitted as a telegram or ordinary cablegram.

WESTERN UNION

1211

A. N. WILLIAMS
PRESIDENT

CHECK

ACCOUNTING INFORMATION

TIME FILED

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

FEBRUARY 5,1947

PLEASE SEND FOLLOWING WESTERN UNION NIGHT LETTER TO LIST OF NAMES AND ADDRESSES HEREIN BELOW

:::::::::

E.C. MILLS,	630 FIFTHAVENUE, NEW YORK, N.Y.
REX DENNANT	c/o Eliel & Loeb Co., 60 E 42nd St., New York, N.Y.
HERBERT P JACOBY	" Schwartz & Frohlich, 1450 Broadway, New York, N.Y.
HENRI MARX	" Paine, Kramer & Marx, 50 Broadway, New York, N.Y.
MILTON A KRAMER	" Paine, Kramer & Marx, 50 Broadway, New York, N.Y.
PHILIP F SIFF	131 Riverside Drive, New York, N.Y.
FRANKLIN COLE	c/o Cole, Hoisington & Co., 120 Broadway, New York, N Y.
HERMAN L. WEISMAN	" Weisman & Grant, 295 Madison Ave., New York, N.Y.

:::::::::::

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION, WILL BE HELD AT THE OFFICES OF THE CORPORATION, AT 729 SEVENTH AVE., NEW YORK CITY, N.Y. ON TUESDAY, FEBRUARY 11TH, AT 2.30P.M.

HARRY J MULLER, ASST SECTY

CC MR MULLER-MR RAFTERY-(FG)

MINUTES OF MEETING OF BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION

A meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Tuesday, February 11, 1947 at 2:30 P.M.

There were present:

Henry M. Marx
Milton A. Kramer
Philip F. Siff
E. Claude Mills
Herbert P. Jacoby
Rex Dennant
Herman L. Weisman
Franklin Cole
Edward C. Raftery

constituting a quorum.

There were also present Harry J. Muller, Assistant Secretary and, during part of the meeting, Gradwell L. Sears, Vice President.

Mr. Raftery acted as Chairman and Mr. Muller acted as Secretary.

1. NOTICE OF MEETING

The meeting was called pursuant to telegraphic notice attached to these minutes.

2. MINUTES OF PREVIOUS MEETING

The minutes of the previous meeting having been distributed to all directors and stockholders, Mr. Mills moved to dispense with the reading of them. Mr. Jacoby seconded the motion and it was carried.

3. APPEAL FROM DECREE IN U.S. VS. PARAMOUNT

The Chairman distributed a printed booklet headed "Memorandum in Regard to the Final Decree entered in the Case of U.S. vs. Paramount, et al". He stated that we must decide whether or not to appeal before February 28, 1947.

He stated that he recommended that United Artists Corporation appeal from those items of the Decree of Section 2. He stated that Management did go through the necessary mechanics of getting the producer contracts amended so that they will not be at variance with the Decree. Mr. Kramer moved that,

> WHEREAS a Final Decree has been entered in the case of U.S. v. Paramount et al., against United Artists Corporation in the U.S. District Court, in the Southern District of New York, which Decree contains many provisions which seriously affect the corporation's right to openly and freely market its pictures for distribution in the United States of America,
>
> NOW, THEREFORE,
>
> Be it RESOLVED that counsel be directed to take all necessary steps to perfect an Appeal from each and every part of said Decree which affects the rights of United Artists Corporation.

Mr. Cole seconded the motion. After considerable discussion the motion was carried. The Chairman stated that meetings would be held with all salesmen breaking them down in groups and giving them detailed instructions.

4. REPORTS

There was then distributed to the directors a statement showing the percentage to gross film rentals of expenses and a comparison with standard terms as well as a schedule showing standard terms for features.

5. SUSAN PETERS PICTURE

The Chairman stated that in connection with the proposed deal for a Susan Peters picture, there is not the slightest enthusiasm on the part of our Sales Department and he therefore wished to withdraw this item from the Agenda.

6. EDWARD SMALL

The Chairman stated that he would like to substitute for the Susan Peters proposal one that was received yesterday from George Bagnall on behalf of Edward Small and which he immediately circulated to all directors, for three pictures to be made within a period of two years on terms of 25% for United States, Canada and England and standard terms for the rest of the world. The Chairman stated he would recommend 10% for Outright Sales. Messrs. Jacoby and Mills suggested that the terms should be 27½% instead of 25%. Mr. Siff suggested that we must first determine if we want the pictures. The Chairman then suggested that Mr. Sears be requested to attend the meeting with a release schedule. Mr. Sears then entered the meeting and stated that we have releases scheduled down to the 2nd of May and after that we have sufficient pictures to release one every two weeks to the end of the year. Mr. Sears stated that our long term producers are very few and that the Wanger and Roach deals are not yet signed. Wanger moves over to the Roach Studio in June and Mr. Tannenbaum advised him that they are going to start a co-operative venture between Victor Fleming, who directed GONE WITH THE WIND and Ingrid Bergman to make JOAN OF LORRAINE in technicolor. Mr. Sears stated that he would like to have the Small pictures for next year as he could not handle them this year. Mr. Sears stated that he was going to California and the Chairman suggested that he might be able to negotiate a deal with Small at 27½% terms. Mr. Mills moved that Mr. Sears be requested to negotiate with Mr. Small in California on the basis of 27½%. Mr. Jacoby seconded the motion and it was carried.

7. SIR ALEXANDER KORDA

The Chairman stated that the next item was six pictures to be produced in England by Sir Alexander Korda featuring American stars for distribution in the Western Hemisphere. Mr. Weisman moved to table this matter. Mr. Mills seconded the motion and it was carried.

8. HAL ROACH

There was discussion concerning the Hal Roach deal and the possibility of making a deal with Roach singly in the event the package deal with Wanger is not signed.

9. E. CLAUDE MILLS

The Chairman stated that he received a bill from Mr. Mills under date of January 20th to United Artists Corporation for services rendered as a member of the Sub-Committee on matters re: Vanguard Films, Inc. covering meetings from December 10 to January 15 inclusive, in the amount of $2,500. Mr. Jacoby stated that he knew of his own knowledge that Mr. Mills has been extremely active on this Committee and accordingly moved that the Bill be paid. Mr. Dennant seconded the motion. Mr. Kramer raised the question of the legality of paying for the services of a director without special arrangement having been made therefor and he also stated that it might create a precedent for directors voting payments to one another so that the stockholders might feel that they need protection from such practices. Mr. Siff asked about the status of the Committee and whether or not other bills would be rendered. He asked if this matter should not be considered in totality and the Board advised of the total amount of such compensation. After further discussion it was agreed that Mr. Jacoby should look into the question of the right of the Board to make such a payment and at the same time determine the ultimate amount that will be asked for this type of compensation.

10. VANGUARD LITIGATION

The Chairman stated that the corporation, upon the recommendation of the Committee, has retained the firm of Preston and Files to represent it in the litigation in California. No retainer bill has been received but the

corporation is to be billed for the reasonable value of the services rendered and possibly at some later date it will be billed for a retainer. There is a possibility of hiring Mr. Giesler as Special Counsel. Mr. Dennant moved that the Board ratify the action of the corporation in retaining the firm of Freston and Files to represent it in the California litigation. Mr. Jacoby seconded the motion and it was carried; Messrs. Marx, Kramer and Siff not voting, all other directors voting in favor.

11. STANDARD TERMS

Mr. Mills moved that the schedule of standard terms for features which was distributed to the directors earlier in this meeting be incorporated and made a part of the minutes and that hereafter he will understand that whenever standard terms are referred to in a proposal that these are the terms that are presented as standard and if there is any deviation therefrom, those deviations, alterations or amendments will be explained to the Board at the time the proposition is made. Mr. Kramer seconded the motion and it was carried. A copy of this schedule is attached to these minutes.

The meeting then adjourned.

Edward C. Raftery, Chairman

Harry J. Muller, Secretary

SCHEDULE OF STANDARD TERMS FOR FEATURES

TERRITORIES	REVENUE AND TAX ON GROSS RECEIPTS		QUOTA PRINTS		CHECKING (U.S. & CANADA ONLY) ADDITIONAL PRINTS REPLACEMENTS, DUTY CENSORSHIP FEES, ORG. DUES		(See Note 6) ADVERTISING & PUBLICITY INCLUDING FAN PAPER		(See Note 7) TRADE PAPER ADVERTISING		SOUND RIGHTS, MUSIC COPYRIGHT ROYALTIES, TRANSP. CHARGES ON NEG. & PRINTS TO TERRITORIES, CENSOR CHARGES, TAX ON PROD. CHARGE OR ARCHIVES TAX ON PRINTS		TRANSPORTATION CHARGES ON NEG. & PRINTS TO TERRITORIES IF MADE IN U.S. (U.S. & CANADA ONLY) COPYRIGHT FEES, TAX ON DIST. SHARE OF RECEIPTS	
	PROD.	DIST.	PROD.	DIST.	PROD.	DIST.	PROD.	DIST.	PROD.	DIST.	PROD.	DIST.	PROD.	DIST.
United States & Canada	72½	27½	100 (210 Prints)		75	25	75	25	100		100			100
England	72½	27½	100 (80 Prints)		75	25					100			100
Australasia	62½	37½	100 (6 Prints)		62½	37½					100			100
Continental Europe	62½	37½			100						100			100
Central & South America	50	50			50	50					100			100
Puerto Rico, Cuba, Mexico & Far East	60	40			60	40					100			100
South Africa	70	30	100 (2 Prints)		70	30					100			100
North African Territory	65	35			100						100			100
Dubbed Versions	72½	27½			100						100		(Exclude copyright fees 100% Prod.)	100
													(Exclude copyright fees 100% Prod.)	

1. Outright Sales - 5% - 10% or 15% to Distributor.
2. Licensed Agencies - of the gross receipts paid to Distributor, it shall retain 10% less 10% of the cost of superimposing and dubbing prints, duties, and other charges. The balance belongs to the Producer provided that in no event shall the Producer receive less than 50% of the gross receipts less its proportionate share of the agreed deductions.
3. Provision is made that Distributor will defer 25% of its United States distribution fee until producer has recovered the negative cost of the photoplay.
4. Road-Show - Net profits divided by Producer 90% to Producer and 10% to Distributor.
5. Trailer Revenue and costs 100% to Producer in United States. 100% to Distributor in all other territories.
6. This split prevails up to $40,000. Thereafter the cost is 100% to Producer unless the gross of any motion picture exceeds $700,000 in the U.S. and Canada. In such event the distributor will bear 25% of the cost of advertising up to $70,000.
7. Distributor bears the first $5,000 of Trade Paper Advertising in the United States and Canada for each photoplay. Should the producer so desire he may advance an additional amount up to $5,000 for each photoplay. If the motion picture for which the producer has advanced an additional amount for such advertising grosses in excess of $500,000 in U.S. and Canada, United will pay to the producer 1% of such gross exceeding $500,000 until the producer has been repaid the additional amount it expended for Trade Paper Advertising but in no event exceeding $5,000.

WAIVER OF NOTICE OF SPECIAL MEETING

::::::::::::::::::

We, the undersigned, being all the Directors of United Artists Corporation, do hereby waive notice of a Special and Emergency Meeting of the Board, to be held at the offices of the Corporation at 729 Seventh Avenue, New York, N.Y., at 2.30 P.M., Friday, February 21,1947, and do hereby consent that same be held.

Edward C. Raftery

Herman Levy Sinan

Herbert P. Jacoby

Ed Mills

Philip F. Siff

[illegible]

Henry M. Marx

[illegible] Jennard

Franklin Coen

Dated, N.Y., Feb 21,1947

MINUTES OF MEETING OF BOARD OF DIRECTORS
OF UNITED ARTISTS CORPORATION

A special meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Friday, February 21, 1947 at 2:30 P.M.

There were present:

Henry M. Marx
Milton A. Kramer
Philip F. Siff
E. Claude Mills
Herbert P. Jacoby
Herman L. Weisman
Edward C. Raftery

constituting a quorum.

There was also present Harry J. Muller, Assistant Secretary.

Mr. Raftery acted as Chairman and Mr. Muller acted as Secretary.

1. WAIVER OF NOTICE

This meeting was held pursuant to Waiver of Notice attached to these minutes.

2. VANGUARD LITIGATION

Mr. Weisman stated that the Principals, acting through their special attorneys, have reached an agreement regarding all matters in controversy in the Vanguard matter and that such agreement was reduced to writing in the form of a letter addressed to United Artists Corporation by Vanguard Films, Inc. and also by David O. Selznick. Mr. Weisman then read the letter agreement. Mr. Weisman moved as follows:

A. That this Board approve the agreement which has just been read, effecting a settlement of all matters therein referred to between United Artists Corporation, Vanguard Films, Inc., David O Selznick and other parties mentioned, and that a copy of the agreement be annexed to the Minutes.

B. That the President, or any Vice-President, or Treasurer, be authorized to sign any and all papers, agreements, stipulations or releases on behalf of United Artists Corporation, for the

purpose of giving effect to and carrying out the aforesaid settlement agreement and also themselves to receive or instruct others on behalf of the United Artists Corporation to receive the papers, certificates of stock, etc. in behalf of United Artists Corporation.

C. That this Board authorize the Litigation Committee consisting of Messrs. Weisman and Mills to approve such changes not affecting the substance of the agreement heretofore read as may be necessary in the process of closing the agreement.

D. That the Board authorize the President to make the payments required of the corporation under said agreement.

Mr. Mills seconded the motion and it was carried; Messrs. Siff, Mills, Jacoby, Weisman and Raftery voting in favor, Messrs. Marx and Kramer not voting. Before the voting took place there was discussion concerning the right of the corporation to purchase its own stock and the Chairman stated that under the Charter and By-Laws, there is no prohibition against the company buying back its stock from stockholders subject only to such limitations as may be contained in the law of the State of Delaware. Under the law of the State of Delaware, we are not permitted to re-purchase the stockholder's stock out of capital but must purchase it out of surplus. He stated that it was his opinion that the consolidated earned surplus of the company is sufficient to warrant the purchase of this stock and that the company is legally empowered to purchase the stock. Mr. Muller read off the surplus of both the parent company and the consolidation from the Consolidated Balance Sheet as at November 30, 1946 and explained the probable entries that would be made as a result of the purchase.

The meeting was then adjourned to be continued at 9 P.M. at the office of Schwartz and Frohlich, 1450 Broadway, New York.

Edward C. Raftery

Edward C. Raftery, Chairman

H. J. Muller

Harry J. Muller, Secretary

February 21, 1947

United Artists Corporation
729 Seventh Avenue
New York, N.Y.

Gentlemen:

The following is our agreement:

On or about October 4, 1941 you entered into the following agreements with David O. Selznick Productions Inc.:

Deposit Agreement
Collateral Stock Purchase Agreement
Loan Agreement
Distribution Agreement

On or about the same day you also entered into an agreement with David O. Selznick (herein referred to as Selznick) relating to the rendition of his personal services to said David O. Selznick Productions Inc. in the supervision of motion pictures embraced by the Distribution Agreement.

On or about the same day there was also entered into a Stockholders Agreement being an agreement among your then stockholders.

The name of David O. Selznick Productions Inc. was changed to D.O.S. Productions Inc. and such corporation was subsequently dissolved. Prior to such dissolution the undersigned Vanguard Films Inc. (herein referred to as Vanguard) succeeded to the entire right, title and interest of D.O.S. Productions Inc. and assumed its obligations under the said agreements to which it was a party.

Some of such agreements have been amended, modified and supplemented from time to time, and wherever reference is hereinafter made to such agreements, the same shall have reference to such agreements as so amended, supplemented and modified.

1. The Deposit Agreement is hereby terminated. The escrowee Loyd Wright is hereby directed to forthwith deliver out of such escrow and pay over to

you the sum of $300,000.00 paid by Vanguard into said escrow in full payment of the notes theretofore delivered to the escrowee in payment of the full purchase price for the 4,000 shares of your stock now in the name of Vanguard, and held by such escrowee pursuant to such Deposit Agreement.

Said Loyd Wright as escrowee is hereby directed to forthwith deliver to Vanguard the certificates for said 4,000 shares of your capital stock now held by him under said Deposit Agreement, free and clear of said Deposit Agreement.

Vanguard hereby sells, assigns and transfers to you and you hereby purchase from Vanguard the said 4,000 shares of your stock to be released to Vanguard as aforesaid, the purchase price for said stock to be the sum of $2,000,000.00. The said stock shall be delivered (duly endorsed in blank or with separate assignments duly endorsed in blank) and the purchase price paid by you upon the execution and delivery hereof.

Vanguard shall provide all transfer tax stamps required under all federal and state statutes in connection with the transfer or delivery of such stock concurrently with the execution and delivery hereof.

The Collateral Stock Purchase Agreement is hereby terminated.

Vanguard warrants and represents that there are no liens or encumbrances of any character on the said shares of stock or the certificates evidencing the same and that it has full right, power and authority to make this sale, assignment and transfer to you, and that upon the execution and delivery hereof, you will be entitled to the sole possession and complete ownership thereof as against us or anyone claiming under or through us.

You warrant and represent that you have full right, power and authority to make said purchase and that upon payment to Vanguard, Vanguard will be entitled to the full purchase price as against you or anyone claiming under or through you.

2. The Loan Agreement is hereby terminated. Vanguard shall pay to you concurrently with the execution and delivery hereof the sum of $943,385.00 being

$800,000.00 representing the aggregate of the amounts advanced by you to Vanguard under said Loan Agreement, plus estimated interest thereon to the date hereof.

3. The Distribution Agreement is hereby terminated subject to the following:

(a) Upon the execution hereof, Vanguard shall pay to you the sum of $342,570.00 which you estimate represent the aggregate ($304,813.00 with respect to the United States and $37,757.00 with respect to foreign countries) of the amounts advanced by or charged to you from time to time for the account of Vanguard in connection with the advertising and publicity of the picture DUEL IN THE SUN;

(b) Upon the execution hereof, Vanguard shall pay to you the sum of $144,469.00 which you estimate represent the aggregate of the amounts advanced by or charged to you from time to time for the account of Vanguard in this country and in foreign countries for miscellaneous purposes;

(c) You will continue the distribution of the three pictures entitled SINCE YOU WENT AWAY, I'LL BE SEEING YOU and SPELLBOUND in accordance with the Distribution Agreement, and you will also continue the reissue distribution of REBECCA in accordance with the agreement dated August, 1944 between United Artists Corporation Ltd. and David O. Selznick, Daniel T. O'Shea and Ernest L. Scanlon, and the agreement dated December 13, 1945 between you and Vanguard; subject to the following:

Vanguard shall have the right to withdraw any one or more of such four pictures, picture by picture, and country by country, upon at least sixty days prior written notice to you. In any such case, you shall cease the further booking of the specified picture for the specified country, but you shall have the right to complete the approved contracts made up to a date

which shall be a reasonable time after the receipt of such notice within which time you shall notify your representatives to cease booking any such picture for the specified country. You shall not commence the distribution of any such picture in any country where such distribution has not begun as of the date of this agreement, without in each instance first securing the written consent thereto of Vanguard (which Vanguard may refuse). It is agreed that distribution has not commenced with respect to any of the four pictures in France.

In case we shall exercise any such right given to us in the preceding paragraph, we shall have the right thereafter to make such other use as we may elect of such picture or pictures in such country or countries.

You will continue liable to us to render statements and to pay to us or our assigns in accordance with the respective Distribution Agreements all proceeds of distribution in respect of the said four pictures heretofore or hereafter collected by you, less amounts deductible therefrom pursuant to the respective distribution agreements, and in the event of any dispute the computations of Price Waterhouse & Co. shall be final and binding, and the charges of Price Waterhouse & Co. shall be borne by you. You agree to furnish us and to authorize and direct Price Waterhouse & Co. to furnish us with any details in connection with such statements and computations. We hereby intend to and do waive any claims against you for malfeasance, misfeasance and nonfeasance in connection with the distribution of said pictures or your collection of billings thereon to date hereof.

(d) You shall remain obligated to return negatives, old prints and other material relating to any of the pictures and the four pictures referred to in Article 8, upon request as called for in the Distribution Agreement.

4. Your interest in the agreement with David O. Selznick relating to his personal services is terminated.

5. Concurrently with or promptly after the execution and delivery hereof, Vanguard will cause its attorneys to execute, acknowledge and deliver to you and you will cause your attorneys and the attorneys for Charles Chaplin (herein referred to as Chaplin) and Mary Pickford and The Pickford Company (herein jointly referred to as Pickford) to execute, acknowledge and deliver to Vanguard, separate stipulations or agreements discontinuing with prejudice, but without costs to any of the parties thereto the following actions: (a) Vanguard against you pending in California; (b) Vanguard against Chaplin and Pickford pending in California; and (c) Chaplin on your behalf against Vanguard and others pending in New York.

6. The estimates mentioned in Article 2 and Article 3, subdivisions (a) and (b) are approximate and upon the final fixation thereof, you and we agree to refund or make payment, as the case may be, in accordance with the figures so finally computed. In the event of any dispute (including the rate of interest chargeable in accordance with the Loan Agreement), the computations of Price Waterhouse & Co. shall be final and binding and the charges of Price Waterhouse & Co. shall be borne by you.

7. For statistical purposes, Vanguard may desire information as to past performances of pictures including pictures produced by Selznick International Pictures Inc. and you agree to furnish such information as may be so reasonably required from time to time.

8. The releases hereinafter provided for shall not affect the respective rights or liabilities, if any, of either you, Vanguard, or Selznick to the holder of reissue rights of INTERMEZZO, TOM SAWYER, PRISONER OF ZENDA and GARDEN OF ALLAH.

9. You and we hereby release and discharge each other from and against any and all manner of actions, causes of actions, suits, debts, sums of money, accounts, covenants, contracts, controversies, agreements, damages, claims and damages whatsoever, and without limiting the generality of the foregoing including the claims embraced in all three actions above mentioned now pending in California and New York, excepting and excluding only the terms of this agreement.

The release and discharge hereinabove in this Article mentioned shall include not only you, Selznick, Vanguard and D.O.S. Productions Inc. as the case may be, but shall also be deemed to include and embrace the present and past respective officers, directors and stockholders of each, in their respective capacities as such.

To the extent that you have or may have any claims against either the Twentieth Century-Fox Film Corporation or the R.K.O. Radio Pictures Inc. by reason of any of the agreements described at the beginning of this agreement or action relating thereto, you hereby release and discharge each of them from any such claims.

10. Promptly after the execution hereof, we agree to procure for you and deliver to you general releases running from each of us in favor of Chaplin and Pickford respectively and concurrently therewith you agree to secure and deliver to each of us similar general releases running from Chaplin and Pickford respectively in our favor in connection with any of the transactions embraced by the agreements described at the beginning of this agreement and in this agreement.

11. You agree forthwith to omit the names of Vanguard and Selznick from your letterhead and from all advertising except only as is necessary in connection with continued distribution of the four pictures mentioned in Article 3, subdivision (c).

12. You represent that Chaplin and Pickford have authorized and approved the making, execution and delivery of this agreement.

Your signature at the foot hereof underneath the word "ACCEPTED" together with our signature at the foot hereof will make this a valid, binding and enforceable agreement between us.

VANGUARD FILMS INC.

By_____
President

_____
David O. Selznick

ACCEPTED:

UNITED ARTISTS CORPORATION

By Edward C. Raftery (Signed)
Pres.

(SEAL)

MINUTES OF MEETING OF BOARD OF DIRECTORS
OF UNITED ARTISTS CORPORATION

An adjourned meeting of the Board of Directors of United Artists Corporation was held at the office of Schwartz and Frohlich, 1450 Broadway, New York, Friday, February 21, 1947 at 9 P.M.

There were present:

Milton A. Kramer
E. Claude Mills
Herbert P. Jacoby
Herman L. Weisman
Edward C. Raftery

There were also present Joseph Willard, Leonard R. Case, Charles Schwartz and Harry J. Muller, Assistant Secretary.

Mr. Raftery acted as Chairman and Mr. Muller acted as Secretary.

1. PHILIP F. SIFF

The Chairman stated that he had the resignation of Philip F. Siff reading as follows:

"February 21, 1947

To the Board of Directors of
United Artists Corporation:

Gentlemen:

I hereby tender my resignation as a director of United Artists Corporation, effective forthwith.

Yours very truly,

Philip F. Siff
Philip F. Siff "

Mr. Mills moved that the resignation be accepted. Mr. Jacoby seconded the motion and it was carried, all directors present voting in favor except Mr. Kramer who did not vote.

2. CHARLES SCHWARTZ

Mr. Weisman nominated Charles Schwartz to fill the vacancy caused by the resignation of Philip F. Siff. Mr. Mills seconded the nomination. There being no further nominations, the polls were closed and Mr. Schwartz was elected as a director. All directors present voted in favor except Mr. Kramer who did not vote. Mr. Schwartz then took his seat at the Board.

3. HENRY M. MARX

The Chairman stated that he had the resignation of Henry M. Marx reading as follows:

"February 21, 1947

To the Board of Directors of
United Artists Corporation:

Gentlemen:

I hereby tender my resignation as a director of United Artists Corporation, effective forthwith.

Yours very truly,

Henry M. Marx
Henry M. Marx "

Mr. Mills moved that the resignation be accepted. Mr. Jacoby seconded the motion and it was carried, all directors present voting in favor except Mr. Kramer who did not vote.

4. ARNOLD M. GRANT

Mr. Mills nominated Arnold M. Grant to fill the vacancy caused by the resignation of Henry M. Marx. Mr. Jacoby seconded the nomination. There being no further nominations the polls were closed and Mr. Grant was elected as a director. All directors present voted in favor except Mr. Kramer who did not vote.

5. MILTON A. KRAMER

The Chairman stated that he had the resignation of Milton A. Kramer reading as follows:

"February 21, 1947

To the Board of Directors of
United Artists Corporation:

Gentlemen:

I hereby tender my resignation as a director of United Artists Corporation effective forthwith.

Yours very truly,

Milton Kramer
Milton Kramer "

Mr. Mills moved that the resignation be accepted. Mr. Jacoby seconded the motion and it was carried.

Upon motion by Mr. Mills, seconded by Mr. Jacoby, the meeting adjourned to Wednesday, February 26, 1947 at 2:30 P.M. at the office of United Artists Corporation, 729 Seventh Avenue, New York, N.Y. and at that time the meeting adjourned because of lack of a quorum.

Edward C. Raftery, Chairman

Harry J. Muller, Secretary

February 21, 1947

To the Board of Directors of
United Artists Corporation:

Gentlemen:

I hereby tender my resignation as a director of United Artists Corporation, effective forthwith.

Yours very truly,

Philip F. Siff

Philip F. Siff

February 21, 1947

To the Board of Directors of
United Artists Corporation:

Gentlemen:

I hereby tender my resignation as a director of United Artists Corporation, effective forthwith.

Yours very truly,

Henry M. Marx

February 21, 1947

To the Board of Directors of
United Artists Corporation:

Gentlemen:

I hereby tender my resignation as a director of United Artists Corporation, effective forthwith.

Yours very truly,

Milton Kramer

Charge to the account of UNITED ARTISTS CORP. 729-7th AVE. N.Y.C. $

DOMESTIC		CABLE	
TELEGRAM		ORDINARY	
DAY LETTER		URGENT RATE	
SERIAL		DEFERRED	
NIGHT LETTER		NIGHT LETTER	

Please should check class of service desired, otherwise the message will be transmitted as a telegram or ordinary cablegram.

WESTERN UNION

A. N. WILLIAMS, PRESIDENT — NEWCOMB CARLTON, CHAIRMAN OF THE BOARD — J. C. WILLEVER, FIRST VICE-PRESIDENT

CHECK

ACCOUNTING INFORMATION

TIME FILED

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

February 26, 1947

PLEASE SEND FOLLOWING WESTERN UNION NIGHT LETTER TO LIST OF NAMES AND ADDRESSES HEREIN BELOW

E. C. MILLS	630 Fifth Avenue, New York, N.Y.
REX DESNANT	c/o Eliel & Loeb Co., 60 E. 42nd St., New York, N.Y.
HERBERT P. JACOBY	c/o Schwartz & Frohlich, 1450 Broadway, New York, N.Y.
CHARLES SCHWARTZ	c/o Schwartz & Frohlich, 1450 Broadway, New York, N.Y.
FRANKLIN COLE	c/o Cole, Heisington & Co., 120 Broadway, New York, N.Y.
HERMAN L. WEISMAN	c/o Weisman & Grant, 295 Madison Ave., New York, N.Y.
ARNOLD M. GRANT	c/o Weisman & Grant, 295 Madison Ave., New York, N.Y.
EDWARD C. RAFTERY	c/o William Penn Hotel, Pittsburgh, Pa.

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION WILL BE HELD AT THE OFFICES OF THE CORPORATION AT 729 SEVENTH AVENUE, NEW YORK CITY, N.Y. ON TUESDAY, MARCH FOURTH AT 2:30 P.M.

HARRY J. MULLER, ASST. SECTY

MINUTES OF MEETING OF BOARD OF DIRECTORS
OF UNITED ARTISTS CORPORATION

A meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Tuesday, March 4, 1947 at 2:30 P.M.

There were present:

Herman L. Weisman
E. Claude Mills
Herbert P. Jacoby
Arnold M. Grant
Rex Dennant
Charles Schwartz
Edward C. Raftery

constituting a quorum.

There was also present Harry J. Muller, Assistant Secretary.

Mr. Raftery acted as Chairman and Mr. Muller acted as Secretary.

1. NOTICE OF MEETING

The meeting was called pursuant to telegraphic notice attached to these minutes.

2. MINUTES OF PREVIOUS MEETING

The minutes of the meeting of February 11th having been distributed to all directors and stockholders, Mr. Mills moved to dispense with the reading of them. Mr. Weisman seconded the motion and it was carried.

3. LEGAL FEES IN CONNECTION WITH VANGUARD LITIGATION

Mr. Schwartz stated that he had the following fees to submit in connection with the late lawsuits.

1. From Davis, Polk, Wardwell, Sunderland & Kiendl a bill for $15,144.52.

2. From Preston and Files a bill for $7,861.11.

3. Mr. Grant talked to Mr. Jerry Giesler and they have agreed upon a fee of $5,000, subject to the approval of this Board.

4. Messrs. Grant and Schwartz talked to Mr. Prinzmetal whose firm represented Miss Pickford and an invoice for $5,000 was received from Mitchell, Silberberg and Knupp who represented Mr. Chaplin, and Mr. Prinzmetal agreed that $5,000 was a fair fee for his firm. Inasmuch as Miss Pickford and Mr. Chaplin were defendants in this suit because of the alleged breach by United Artists Corporation, it is considered appropriate for United Artists Corporation to pay these charges.

Mr. Schwartz moved that these bills be paid by the corporation. Mr. Mills seconded the motion and it was carried unanimously.

4. E. CLAUDE MILLS

Mr. Schwartz stated that the next item was the compensation to be paid to the Committee who very diligently and ably handled the Vanguard matter, namely, Messrs. Mills and Weisman. Mr. Mills withdraws the bill which he rendered and leaves the matter entirely to the Board. Mr. Jacoby stated that he was appointed to pass upon the legality of a payment to Mr. Mills and Article IV, Sub-division 10 of the By-Laws specifically provides for compensation of Committees of this character, but he believes it is up to the Board to decide on the amount. The Chairman stated that the only objection was made by Mr. Kramer who represented the Selznick interest. Mr. Weisman stated that he would prefer to have his services included in whatever bill is rendered by his firm for the settlement of the Vanguard matter and therefore no bill will be sent on behalf of him. Mr. Weisman moved that for the special and unusual service rendered by Mr. Mills in his capacity as a member of that Committee that he be awarded the sum of $5,000. Mr. Jacoby seconded the motion and it was carried unanimously, Mr. Mills not voting.

5. AMENDMENTS TO CHARTER AND BY-LAWS

Mr. Schwartz stated that the stockholders wished certain changes made

in the Charter and By-Laws and amendments providing therefor have been prepared by counsel representing both stockholders. Mr. Mills moved that this Board of Directors recommend to the stockholders that at a meeting of the stockholders proper resolutions be adopted to amend the Certificate of Incorporation of United Artists Corporation of Delaware and the By-Laws of United Artists Corporation of Delaware in the manner set out in the following particulars:

1. By striking out and eliminating Article Ninth, Section 2 of the Certificate of Incorporation, and Article IV, Section 4 of the By-Laws.

2. By striking out Article Fourth, Section 4, of the Certificate of Incorporation, and Article VIII of the By-Laws and by substituting in lieu thereof the following:

The sale, in whole or in part of the shares of the capital stock of the Corporation heretofore or hereafter issued shall be limited in the manner hereinafter described, and each certificate evidencing the ownership of such shares shall bear upon its face reference to this Article or a copy of the following provisions of this Article:

In case a stockholder shall desire, at any time, to sell any share or shares of the capital stock of the corporation and shall receive a bona fide and acceptable offer to purchase the same, such stockholder shall immediately notify every other stockholder by registered mail of all of the terms and conditions of such offer, including the name of the prospective purchaser, and his willingness to accept such offer. The remaining stockholder or stockholders shall have the first right during the twenty (20) day period following the receipt of such notice to purchase such stock from the stockholder desiring to sell at the price and upon the terms contained in such bona fide offer.

If any of the remaining stockholders elects to purchase such stock upon the terms referred to in said notice, he shall, before the expiration of said twenty (20) day period, so notify the stockholder desiring to sell by registered mail, and shall pay the purchase price, in accordance with the terms of said offer against delivery or tender of delivery of properly endorsed certificates for the shares involved. If two or more stockholders elect to purchase the stock so offered for sale, the shares shall be equally apportioned between them and each shall pay a pro rata share of the purchase price. If none of the remaining stockholders elects to purchase the stock so offered for sale as hereinabove provided, the stockholder desiring to sell shall be free to accept the terms of the original offer and to sell his stock to the person originally making such offer, provided such sale is consummated within six months after the giving of said notice.

Mr. Grant seconded the motion and it was carried unanimously.

7. DISTRIBUTION CONTRACTS WITH MARY PICKFORD AND CHARLES CHAPLIN

Mr. Schwartz moved,

RESOLVED, that this company enter into a contract with Mary Pickford and a contract with Charles Chaplin under which each such party shall have an option to require this company to release such respective party's pictures; each such contract to run for a period of ten years, to be effective as and from and after March 1st, 1947, the right of each to be limited to a maximum of four pictures per year, the present sliding scale terms (that is the terms heretofore given to Vanguard) to apply to two pictures delivered in each year, such pictures to be selected by Mary Pickford or Charles Chaplin, as the case may be, the best standard terms then currently applicable (that is to say applicable at the time the respective pictures are released) to apply to the other pictures so delivered, each such party to be the producer or executive producer (and shall be announced on the screen, advertising and publicity, except that in the case of Mary Pickford's husband or Charles Chaplin's brother, as the case may be, he may be announced as such, individually or jointly with the others) and each to have not less than a fifty percent interest in each picture delivered under each such respective contract, and be it further

RESOLVED, that Charles Chaplin's picture presently entitled MONSIEUR VERDOUX shall be deemed to be the first picture delivered by Charles Chaplin under the contract to be made as aforesaid with him, and be it further

RESOLVED, that the first picture produced by Mary Pickford either in her name or in the name of a corporation qualifying under the provisions of the first resolution (other than any of the pictures of Comet Productions and Triangle Productions) shall be deemed to be the first picture delivered by Mary Pickford under the contract to be made as aforesaid with her, and be it further

RESOLVED, that the consideration running to this corporation for the grant of the options aforesaid shall be deemed to be the agreement of Charles Chaplin to deliver to this corporation for distribution the said picture entitled MONSIEUR VERDOUX and the agreement of Mary Pickford to deliver to this corporation for distribution the said first picture to be produced by her as above described, and be it further

RESOLVED, that counsel for the company promptly prepare the formal instruments carrying out the foregoing resolutions and submit them for execution and for delivery to Miss Pickford and Mr. Chaplin.

Mr. Grant seconded the motion and it was carried unanimously.

8. CHANGES IN STANDARD DISTRIBUTION CONTRACT

Mr. Schwartz stated that he and Mr. Grant had discussed the question of making the following changes in future distribution contracts so that the producer would bear in full the following:

1. All print costs
2. All advertising, including Trade Paper Advertising
3. All censorship charges
4. All checking charges
5. All duties

and that the contract also provide that the producer share with the distributor all Industry assessments, including Copyright Protection Dues and any costs connected with Anti-trust lawsuits brought against United Artists Corporation where there may be one or more other companies party to the suit.

At this point Mr. Weisman asked to be excused and left the meeting.

Mr. Schwartz stated further that these new provisions would go into the Pickford contract and the Chaplin contract.

9. HUNT STROMBERG

The Chairman stated that the Hunt Stromberg contract was not yet signed and there was discussion concerning the fact that under the arrangement with Mr. Stromberg he is to receive distribution for 25% in all English speaking countries. After considerable discussion, Mr. Grant moved that with respect to the negotiations with Hunt Stromberg, this Board now resolves that it will proceed with a transaction along the lines heretofore offered to Mr. Stromberg subject to a new form of contract embodying the variations heretofore in these minutes set forth relating to advertising, prints, etc., provided, however, that Mr. Stromberg should be notified that he must accept and execute a contract in accordance with said terms within thirty days from the date of the delivery of the new proposed contract, failing which, all offers made heretofore to Stromberg should be deemed withdrawn. Mr. Mills seconded the motion and it was carried, all directors

present voting in favor except Mr. Raftery who voted against the resolution because the Stromberg deal was approved by the Board and the company should abide by that decision.

10. DUEL IN THE SUN PHYSICAL DISTRIBUTION

Mr. Schwartz stated that as part of the Vanguard settlement, he agreed to give a letter stating that he would use his best efforts to procure from United Artists Corporation physical distribution of DUEL IN THE SUN. He has talked to the President and to Mr. Buckley and to Mr. Muller concerning this matter. It is very difficult to arrive at a figure covering this service but certain figures were prepared based upon the year 1946 which do not take into consideration increased labor costs over the period of distribution of DUEL IN THE SUN. After considerable discussion, Mr. Dennant moved that United Artists Corporation offer to do the physical handling proposed for the United States and Canada, limited to two years on the following basis:

1. That the charge be $15. per print per shipment.

2. That in any situation that because of Vanguard's excess day and date booking and our normal requirements, our space is insufficient we either limit Vanguard's shipments or Vanguard will have to secure the space for the extra prints.

3. In any such case Vanguard is to bear the burden of the space.

4. That we assume the responsibility of best efforts in the same manner that we handle our own prints and if there is any loss caused by non-shipment, we assume no responsibility.

5. We assume no responsibility for physical damage of the prints.

6. We will accept no C.O.D. other than checks payable to Vanguard, which checks we will remit to Vanguard.

7. Every form of insurance, including liability, to be assumed, secured and borne by Vanguard for the benefit of Vanguard and United Artists Corporation.

Mr. Mills seconded the motion and it was carried unanimously.

11. EDWARD SMALL

The Chairman referred to a letter from George Bagnall which he sent to each member of the Board concerning the Edward Small proposal. He further explained that the original deal as submitted by Mr. Bagnall was for three pictures to be made within a period of two years, the first picture to be a melodrama starring Robert Young and possibly Virginia Mayo, to be directed by Archie Mayo, to cost in excess of $900,000; picture #2, CAGLIASTRO, to cost in excess of $1,000,000; picture #3, THE O'FLYNN starring Robert Cummings; terms to be 25% for United States, Canada and England and regular terms throughout the rest of the world. Mr. Bagnall was directed to re-negotiate with Edward Small on 27½% terms for United States, Canada and England and standard terms for the rest of the world. The Chairman suggested that we might make a deal with Mr. Small for the 25% terms with the new provisions with respect to prints, advertising, etc. Mr. Grant suggested that the terms for England should be 30%.

Because of lack of further time, Mr. Schwartz moved to adjourn the meeting until Friday, March 7, 1947 at 2 P.M. Mr. Mills seconded the motion and it was carried unanimously.

Edward C. Raftery, Chairman

Harry J. Muller, Secretary

WAIVER OF NOTICE OF SPECIAL MEETING OF
STOCKHOLDERS OF UNITED ARTISTS CORP.

We, the undersigned proxies for the Stockholders of United Artists Corporation, hereby waive notice of a Special Meeting of Stockholders to be held at the offices of the Corporation, at 729 Seventh Avenue, New York City, on the 4th day of March, 1947, at five o'clock in the afternoon, for the purposes of considering the amendments to the Certificate of Incorporation and Bylaws recommended by the Board of Directors.

Charles Schwartz
as proxy for Charles Chaplin.

Arnold Grant
as proxy for The Pickford Corporation

MINUTES OF SPECIAL MEETING OF STOCKHOLDERS OF UNITED ARTISTS CORPORATION

A special meeting of the stockholders of United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Tuesday, March 4, 1947 at 5:00 P.M.

There were present the following stockholders:

The Pickford Corporation by Arnold M. Grant, proxy
Charles Chaplin by Charles Schwartz, proxy

representing all of the issued stock of the company, 8,000 shares.

There were also present Edward C. Raftery, President and Harry J. Muller, Assistant Secretary.

The meeting was held pursuant to a Waiver of Notice attached to these minutes.

Mr. Raftery acted as Chairman and Mr. Muller acted as Secretary.

Mr. Grant moved that the following amendments to the Certificate of Incorporation which were declared advisable at the meeting of the Board of Directors held March 4, 1947 be adopted by adoption of a resolution stated as follows:

RESOLVED, that the Certificate of Incorporation of the United Artists Corporation be amended in the following respects:

1. By striking out and eliminating Article Ninth, Section 2 thereof.

2. By striking out Article Fourth, Section 4 thereof and by substituting in lieu thereof the following:

> The sale, in whole or in part of the shares of the capital stock of the Corporation heretofore or hereafter issued shall be limited in the manner hereinafter described, and each certificate evidencing the ownership of such shares shall bear upon its face reference to this Article or a copy of the following provisions of this Article:
>
> In case a stockholder shall desire, at any time, to sell any share or shares of the capital stock of the corporation and shall receive a bona fide and acceptable offer to purchase the same, such stockholder shall immediately notify every other stockholder by registered mail of all of the terms and conditions of such

offer, including the name of the prospective purchaser, and his willingness to accept such offer. The remaining stockholder or stockholders shall have the first right during the twenty (20) day period following the receipt of such notice to purchase such stock from the stockholder desiring to sell at the price and upon the terms contained in such bona fide offer.

If any of the remaining stockholders elects to purchase such stock upon the terms referred to in said notice, he shall, before the expiration of said twenty (20) day period, so notify the stockholder desiring to sell by registered mail, and shall pay the purchase price, in accordance with the terms of said offer against delivery or tender of delivery of properly endorsed certificates for the shares involved. If two or more stockholders elect to purchase the stock so offered for sale, the shares shall be equally apportioned between them and each shall pay a pro rata share of the purchase price. If none of the remaining stockholders elects to purchase the stock so offered for sale as hereinabove provided, the stockholder desiring to sell shall be free to accept the terms of the original offer and to sell his stock to the person originally making such offer, provided such sale is consummated within six months after the giving of said notice.

Mr. Schwartz seconded the motion and it was carried.

Mr. Grant moved that the President or a Vice President and the Secretary or an Assistant Secretary be authorized and directed to sign a Certificate of Adoption of the Amendments which have been adopted or a Certificate of the Amendments which have been adopted and a copy thereof and that the Secretary or Assistant Secretary be authorized and directed to affix and attest the Corporate Seal, and that the President or Vice President be authorized to acknowledge the Certificate and the copy thereof and that the President or Vice President be authorized and directed to file the original in the office of the Secretary of State of the State of Delaware and the copy in the office of the Recorder of Deeds of the County of Newcastle as prescribed by statute. Mr. Schwartz seconded the motion and it was carried.

Mr. Grant moved that the following amendments to the By-Laws which were declared advisable at the meeting of the Board of Directors held March 4, 1947 be adopted by adoption of a resolution stated as follows:

RESOLVED, that the By-Laws of the United Artists Corporation be amended in the following respects:

1. By striking out and eliminating Article IV, Section 4 thereof.

2. By striking out Article VIII thereof and by substituting in lieu thereof the following:

The sale, in whole or in part of the shares of the capital stock of the Corporation heretofore or hereafter issued shall be limited in the manner hereinafter described, and each certificate evidencing the ownership of such shares shall bear upon its face reference to this Article or a copy of the following provisions of this Article:

In case a stockholder shall desire, at any time, to sell any share or shares of the capital stock of the corporation and shall receive a bona fide and acceptable offer to purchase the same, such stockholder shall immediately notify every other stockholder by registered mail of all of the terms and conditions of such offer, including the name of the prospective purchaser, and his willingness to accept such offer. The remaining stockholder or stockholders shall have the first right during the twenty (20) day period following the receipt of such notice to purchase such stock from the stockholder desiring to sell at the price and upon the terms contained in such bona fide offer.

If any of the remaining stockholders elects to purchase such stock upon the terms referred to in said notice, he shall, before the expiration of said twenty (20) day period, so notify the stockholder desiring to sell by registered mail, and shall pay the purchase price, in accordance with the terms of said offer against delivery or tender of delivery of properly endorsed certificates for the shares involved. If two or more stockholders elect to purchase the stock so offered for sale, the shares shall be equally apportioned between them and each shall pay a pro rata share of the purchase price. If none of the remaining stockholders elects to purchase the stock so offered for sale as hereinabove provided, the stockholder desiring to sell shall be free to accept the terms of the original offer and to sell his stock to the person originally making such offer, provided such sale is consummated within six months after the giving of said notice.

Mr. Schwartz seconded the motion and it was carried.

The Secretary then read to the meeting the resolution which was today adopted by the Board of Directors concerning compensation to E. Claude Mills, reading as follows:

"E. CLAUDE MILLS

Mr. Schwartz stated that the next item was the compensation to be paid to the Committee who very diligently and ably handled the Vanguard matter, namely, Messrs. Mills and Weisman. Mr. Mills withdraws the bill which he rendered and leaves the matter entirely to the Board. Mr. Jacoby stated that he was appointed to pass upon the legality of a payment to Mr. Mills and Article IV, Sub-division 10 of the By-Laws specifically provides for compensation of Committees of this character, but he believes it is up to the Board to decide on the amount. The Chairman stated that the only objection was made by Mr. Kramer who represented the Selznick interest. Mr. Weisman stated that he would prefer to have his services included in whatever bill is rendered by his firm for the settlement of the Vanguard matter and therefore no bill will be sent on behalf of him. Mr. Weisman moved that for the special and unusual service rendered by Mr. Mills in his capacity as a member of that Committee that he be awarded the sum of $5,000. Mr. Jacoby seconded the motion and it was carried unanimously, Mr. Mills not voting."

Upon motion duly made and seconded, this action of the Board of Directors was ratified.

The meeting then adjourned.

Edward C. Raftery, Chairman

Harry J. Muller, Secretary

MINUTES OF MEETING OF BOARD OF DIRECTORS
OF UNITED ARTISTS CORPORATION

An adjourned meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Friday, March 7, 1947 at 2 P.M.

There were present:

E. Claude Mills
Herbert P. Jacoby
Rex Dennant
Charles Schwartz
Arnold M. Grant
Edward C. Raftery

constituting a quorum.

There was also present Harry J. Muller, Assistant Secretary.

Mr. Raftery acted as Chairman and Mr. Muller acted as Secretary.

1. MINUTES OF PREVIOUS MEETING

Mr. Schwartz referred to Item 8 of the previous meeting and suggested that Campaign Books should also be borne by the producer 100% as well as Superimposed Version Costs. It was agreed that Item 8 be modified to take in these two changes and that it read as follows:

"8. CHANGES IN STANDARD DISTRIBUTION CONTRACT

Mr. Schwartz stated that he and Mr. Grant had discussed the question of making the following changes in future distribution contracts so that the producer would bear in full the following:

1. All print costs
2. All advertising, including Trade Paper Advertising and also Campaign Books
3. All censorship charges
4. All checking charges
5. All duties
6. All superimposed version costs

and that the contract also provide that the producer share with the distributor all Industry assessments, including Copyright Protection Dues and any costs connected with Anti-trust lawsuits brought against United Artists Corporation where there may be one or more other companies party to the suit."

2. HUNT STROMBERG

The Chairman stated that after the last meeting he talked to George Bagnall who in turn contacted Hunt Stromberg and Dan Hickson and, as a result, the Chairman received a wire this morning from Dan Hickson in which the latter takes exception to our attitude that the contract should be changed. Both the Chairman and Mr. Mills felt that we were pretty well committed to Hunt Stromberg under the terms heretofore offered. Mr. Grant moved that Hunt Stromberg be notified that he must get his signed contract in within ten days without variation or our offer will be withdrawn. Mr. Schwartz seconded the motion and it was carried.

3. CHARLES CHAPLIN

Mr. Schwartz requested that progress be made on the preparation of the Chaplin contract because the picture MONSIEUR VERDOUX is coming in soon.

4. RESIGNATION OF VANGUARD REPRESENTATIVES

Mr. Schwartz requested that steps be taken to procure the resignation of David O. Selznick as a director of United Artists Corporation, Ltd. and of United Artists (Export) Ltd. and the resignation of Miss J. Reissar as his alternate on such Boards.

5. WALTER WANGER AND HAL ROACH

The status of the Wanger and Roach situation was thoroughly discussed and in particular,

1. Discussion of what was authorized at previous meetings.
2. Roach ready to sign but Wanger not.
3. The Chairman read from a telegram from Mr. Mendel Silberberg on behalf of Hal Roach asserting a position.

4. The Chairman read from a telegram from Walter Wanger supporting Roach's position.
5. The Board directed the Chairman to answer the foregoing telegrams and,
   (a) point out that the company has no deal with either party individually, and
   (b) terminate all negotiations forthwith.

6. S.I.M.P.P.

The Chairman explained that United Artists Productions, Inc. is a member of S.I.M.P.P. and during the first year of its membership it paid $10,000 which was a compromise figure to keep S.I.M.P.P. alive at a time when it was in a precarious position. He asked if the company was ready at this time to pay another $10,000. Mr. Grant moved that United Artists Productions, Inc. should forthwith and immediately resign from S.I.M.P.P. Mr. Schwartz seconded the motion and it was carried unanimously.

7. AMERICAN RED CROSS

The Chairman stated that in past years the corporation contributed $5,000 to the American Red Cross, $2,500 of which was credited to the Home Office and New York Exchange and the balance to the 25 exchange centers throughout the country. Mr. Mills pointed out that this was something which the Board agreed should be passed upon by the stockholders. Mr. Grant moved that the matter be tabled and brought up at the end of our fiscal year. Mr. Schwartz seconded the motion and it was carried unanimously.

8. REAL ESTATE IN BEVERLY HILLS

The Chairman stated that the company owns a parcel of real estate on the Northeast Corner of Canon Drive and Clifton Way, Beverly Hills, California and a suggestion has been made that it be sold at this time. He stated that it is now leased to the William Morris Agency, Inc. who have asked for a further lease. It was agreed that an appraisal of the property

should be made unless there is a very recent appraisal and that a statement be prepared showing the income and expense of the property for the last two years as well as an extract of the lease terms.

9. MANOOK OF THE NORTH

The Chairman stated that he received a memorandum from Walter Gould stating that the old picture known as MANOOK OF THE NORTH with a new sound and commentary track has been offered us for foreign distribution. The Foreign Department considers the picture very marketable and would like to acquire it for England, India, Burma, Ceylon, Singapore, Australasia, South Africa, Trinidad, Jamaica, and all other countries where straight English dialogue or English commentary versions may be shown except the United States, Canada, Bermuda and Hawaii on a 50/50 basis, cost of prints or dupes, etc. to be deducted from the gross. The Foreign Department also proposes to take an option on all non-English speaking countries to be exercised within six months from date of contract on a 50/50 basis, cost of prints, etc. to be deducted from the gross, all foreign version costs to be borne by the producer 100%. In the latter case, Outright Sales would be on the basis of 15%. Mr. Coplan thinks that England can do £15,000 to £20,000 on this picture and Mr. Sears is very much for it. The Chairman stated that while he has not seen the picture, he recommends it as a filler. Mr. Schwartz moved that Management be authorized to acquire this picture. Mr. Grant seconded the motion and it was carried.

10. REPORTS

The Chairman distributed to the directors present a statement showing the domestic backlog at February 28, 1947.

11. ODEON

The Chairman stated that Odeon Cinema Holdings Ltd. paid a dividend on its Ordinary Shares to our English subsidiary of £15,000 about ten days ago and it was agreed that steps should be take to have this money transferred here immediately through a dividend by our subsidiary.

The meeting then adjourned.

Edward C. Raftery, Chairman

Harry J. Muller, Secretary

Charge to the account of UNITED ARTISTS CORP 729-7th Ave Nyc $

CLASS OF SERVICE DESIRED

DOMESTIC		CABLE	
TELEGRAM		ORDINARY	
DAY LETTER		URGENT RATE	
SERIAL		DEFERRED	
NIGHT LETTER		NIGHT LETTER	

Patrons should check class of service desired, otherwise this message will be transmitted as a telegram or ordinary cablegram.

WESTERN UNION

1917

A. N. WILLIAMS
PRESIDENT

CHECK

ACCOUNTING INFORMATION

TIME FILED

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

MARCH 18,1947

(STRAIGHT)

FOLLOWING WESTERN UNION MESSAGE TO DIRECTORS LISTED BELOW

::::::::::

FRANKLIN COLE,	c/o Cole,Hoisington & Co., 120 Broadway, N.Y.C.
ARNOLD GRANT,	" Weisman & Grant, 295 Madison Ave., N.Y.C.
HERMAN L WEISMAN	" Weisman & Grant, 295 Madison Ave., N.Y.C.
CHAS SCHWARTZ	" Schwartz & Frohlich, 1450 Broadway, N Y.C.
E.C.MILLS	630 Fifth Ave., N.Y.C.
REX DENNANT	" Eliel & Loeb Co., 60 E 42nd St., N.Y.C.
HERBERT P. JACOBI,	" Schwarts & Frohlich, 1450 Broadway, N.Y.C.

.....

An emergency special meeting of the Board of Directors of United Artists Corporation is hereby called for Thursday, March 20,1947, at ~~EXXXXX~~ 2.30 PM at the offices of the corporation at 729 Seventh Ave., New York, N.Y. for the purpose of considering and approving an eighteen month lease of the Broadway Theatre for the exhibition of United Artists pictures first run, New York City, and for such other and further business as may come before the meeting.

HARRY J. MEILER, ASST SECTY

MINUTES OF MEETING OF BOARD OF DIRECTORS
OF UNITED ARTISTS CORPORATION

A special meeting of the Board of Directors of the United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Friday, March 21, 1947 at 11 A.M.

There were present:

E. Claude Mills
Herbert P. Jacoby
Rex Dennant
Charles Schwartz
Arnold M. Grant
Edward C. Raftery

constituting a quorum.

There was also present Harry J. Muller, Assistant Secretary.

Mr. Raftery acted as Chairman and Mr. Muller acted as Secretary.

1. NOTICE OF MEETING

The meeting was called pursuant to telegraphic notice attached to these minutes for March 20, 1947 and postponed to March 21, 1947.

2. LEASE OF BROADWAY THEATRE

The Chairman explained that this was a special emergency meeting in connection with a proposed lease of the Broadway Theatre, New York, which is owned by a company controlled by Lee Shubert. Mr. Sears negotiated a lease of the theatre for 18 months on a four wall basis, rental to be $5,000 per week plus 2% of the gross as additional rent, said 2% to be paid weekly, the form of lease to be the same form as was used for the Winter Garden and for the John Golden Theatre. The Broadway Theatre has 2,000 seats. It was supposed to have been fully equipped for sound motion pictures and upon inspection it was found that it was not so equipped, but the agreement provides that Shubert is to pay the cost of equipping with sound, etc. Shubert was willing to make either a six months or 18 months lease. It is the desire of the distribution

department that the lease be for 18 months. Mr. Schwartz moved that Management be authorized to execute a lease for 18 months on the terms submitted. Mr. Mills seconded the motion and it was carried.

Mr. Schwartz moved that United Artists Corporation enter into an arrangement with Charles Chaplin for the playing of MONSIEUR VERDOUX at the Broadway Theatre on the following terms:

Chaplin's proposal for the Broadway Theatre is as follows:

He will take the house over and open on Monday, April 7, 1947, for a run of his picture MONSIEUR VERDOUX.

He will pay the house rental of thirty (30%) percent of the gross with a guarantee to make up any deficit if the thirty (30%) percent does not equal the house nut plus $2,500.00 profit (the house nut will mean the actual house expense; to wit, rent plus operation).

He will have the right to terminate the run upon two weeks' prior notice at any time. United Artists will have the right to terminate the run upon two weeks' prior notice if in any week the gross receipts fall below $17,000.00, or in any event at any time after six (6) months from April 7, 1947.

All advertising will be borne and paid for by Chaplin.

Mr. Dennant seconded the motion and it was carried.

3. JOHN FORD

The Chairman stated that George Bagnall sent in a re-negotiated deal with John Ford which he did not intend to bring up for discussion at this meeting. He then distributed to the directors present a copy of George Bagnall's letter.

4. SAM COSLOW

The Chairman distributed copies of a letter from Sam Coslow dated March 8, 1947 which was received from George Bagnall.

5. CASEY ROBINSON AND HARRY JOE BROWN

The Chairman then distributed a memorandum from George Bagnall containing a proposed distribution deal with Casey Robinson and Harry Joe Brown for a picture to be produced under the title RAIN BEFORE SEVEN.

6. EDWARD SEDGWICK AND HARRY DELMAR

The Chairman then distributed a memorandum from George Bagnall concerning a proposed distribution deal with Edward Sedgwick and Harry Delmar for a motion picture to be produced under the title "FOLLOW THE GIRLS".

7. LEGAL SERVICES

Mr. Schwartz moved,

That the firm of Schwartz and Frohlich be awarded the sum of $40,000 counsel fees in the suit brought by the corporation in the name of Charles Chaplin against Vanguard Films, Inc. and also services rendered in connection with the recent controversy with Vanguard Films, Inc.,

That $15,000 be awarded as special compensation to the firm of Weisman, Grant, Nova and Doskow for services rendered in the Vanguard matter, and

That $5,000 be awarded to Herman L. Weisman as a member of the Committee in connection with the Vanguard litigation, being the same amount as was awarded to Mr. Mills.

Mr. Mills seconded the motion and it was carried.

8. HAL ROACH

Mr. Schwartz stated that he received a wire from Hal Roach's attorney, Mendel Silberberg. The Chairman then read the wire to the meeting. Mr. Schwartz stated that he wished to supplement the wire by advising the Board that what Mr. Roach desires is a contract for Streamliners for not less than six nor more than twelve per year for three years at 27½% for United States and Canada only, and on features, not less than one nor more than two for three years, costing a minimum of $1,000,000 each at 25% for United States, Canada and England, standard terms for the rest of the world, on the new form of contract. Mr. Grant explained his conversations with Hal Roach in California during the week and after further discussion, Mr. Gould was invited to the meeting to explain whether or not the corporation would be adversely affected by not having the foreign rights on the Streamliners. It was the sense of the meeting that the corporation would close with Mr. Roach on the following terms:- on Streamliners, six per year for three years at 30% for United States and Canada on the new standard contract, Mr. Roach to retain the foreign rights: on Features, not less than one nor more than two per year for three years worldwide, 27½% for United States, Canada and England and standard terms for the rest of the world, new standard contract, negative cost a minimum of $1,000,000 each.

9. RAPHAEL SHIPMAN

The Chairman distributed a memorandum he prepared concerning negotiations between David Coplan and Raphael Shipman covering the production of British pictures. The Chairman stated that he had studied the situation and recommends the proposal but he believes someone would have to go to England to work out the matter. He stated further that Mr. Shipman controls two large studios and one small one.

10. REAL ESTATE IN BEVERLY HILLS

There was then distributed to the directors present a memorandum showing the terms of the lease of the property in Beverly Hills, together with a statement showing the income and expense of the property for the last two years. Mr. Schwartz requested that an appraisal be made of the property and the Chairman stated that this would be attended to as soon as Mr. Buckley returned.

The meeting then adjourned.

Edward C. Raftery, Chairman

Harry J. Muller, Secretary

Charge to the account of UNITED ARTISTS CORP 729-7th Ave NYC $

CLASS OF SERVICE DESIRED			
DOMESTIC		CABLE	
TELEGRAM		ORDINARY	
DAY LETTER		URGENT RATE	
SERIAL		DEFERRED	
NIGHT LETTER		NIGHT LETTER	

Patrons should check class of service desired; otherwise the message will be transmitted as a telegram of ordinary categories.

WESTERN UNION

A. N. WILLIAMS
PRESIDENT

CHECK

ACCOUNTING INFORMATION

TIME FILED

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

MARCH 31,1947

NIGHT LETTER TO FOLLOWING

FRANKLIN COLE,	Cole,Hoisington & Co., 120 Broadway, N.Y.C.
H.L.WEISMAN,	WEISMAN & GRANT, 295 Madison Ave., N.Y.C.
A.M.GRANT	Weisman & Grant, 295 Madison Ave., N.Y.C.
CHARLES SCHWARTZ	Schwartz & Frohlich, 1450 Broadway, N.Y. C
E.C.MILLS,	630 Fifth Ave., N.Y.C.
REX DENNANT,	LUMLEY,DENNANT & CO., 60 E 42nd St., N.Y.C.
HERBERT F JACOBY	SCHWARTZ & FROHLICH, 1450 Broadway, N.Y.C.

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION WILL BE HELD AT 2 P.M., TUESDAY, APRIL 8,1947, AT THE OFFICES OF THE CORPORATION AT 729 SEVENTH AVE., NEW YORK, N.Y.,

HARRY J MULLER, ASST SECTY

MINUTES OF MEETING OF BOARD OF DIRECTORS
OF UNITED ARTISTS CORPORATION

A meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Tuesday, April 8, 1947 at 2 P.M.

There were present:

E. Claude Mills
Herman L. Weisman
Herbert P. Jacoby
Rex Dennant
Charles Schwartz
Franklin Cole
Edward C. Raftery

constituting a quorum.

There were also present Miss Mary Pickford and Harry J. Muller, Assistant Secretary and, during part of the meeting, Gradwell L. Sears, Vice President. Mr. Raftery acted as Chairman and Mr. Muller acted as Secretary.

1. NOTICE OF MEETING

The meeting was called pursuant to telegraphic notice attached to these minutes.

2. MINUTES OF PREVIOUS MEETING

The minutes of the meetings of March 7th and 21st having been distributed to all directors and stockholders, Mr. Mills moved to dispense with the reading of them. Mr. Schwartz seconded the motion and it was carried.

3. SAM COSLOW

The Chairman referred to the Sam Coslow proposal from George Bagnall, which was submitted at the last meeting. The Chairman stated that Mr. Sears wrote that he is definitely in favor of a deal with Coslow because he will make musical pictures which we can use on our program. The proposal is for not less than four nor more than five pictures to be delivered within three years, terms to be 27½% for United States and Canada, 30% for England and up to 50% in other

foreign countries, under the new form of contract, United Artists to have full approval of story, script, director and cast. Mr. Mills moved that Management be authorized to enter into an agreement with Mr. Coslow along the lines submitted with the stipulation that Mr. Coslow must give us at least one picture each year. Mr. Schwartz seconded the motion and it was carried unanimously.

4. NEW FORM OF DISTRIBUTION CONTRACT

Mr. Mills stated that with respect to future distribution proposals submitted to the Board, unless it is stated to the contrary, the contract to be used will be the new standard form of contract attached to these minutes.

5. JOHN FORD

The Chairman reported that George Bagnall is still working on the John Ford matter and he expects to arrive at a better proposition. This matter was tabled.

6. EDWARD SEDGWICK AND HARRY DELMAR

The Chairman stated that with respect to "FOLLOW THE GIRLS", there was nothing further to report except that there was no enthusiasm from the Sales Department on it. It was agreed that the Chairman should notify Mr. Bagnall that there is no interest in this deal.

7. POLAN BANKS AND JAMES B. CASSIDY

Miss Pickford submitted a proposition from Polan Banks and James B. Cassidy for a picture called "SEE WHAT I MEAN". She stated that if the company is interested she believes it could get 25% as a bonus for release. Mr. Weisman moved to refer the matter to Mr. Bagnall. Mr. Mills seconded the motion and it was carried.

8. CASEY ROBINSON AND HARRY JOE BROWN

There was discussion concerning the proposed distribution deal with Casey Robinson and Harry Joe Brown for RAIN BEFORE SEVEN. It was agreed that this matter should be referred back to Mr. Bagnall to see if the producer can secure the services of a good director.

9. EDWARD SMALL

The Chairman distributed to the directors present copies of a telegram from George Bagnall dated April 7, 1947. It submitted a proposal from Edward Small and Robert Young whereby Small, in conjunction with Robert Young, would make two pictures within 18 months costing approximately $1,000,000 each, the first picture to be based on THE LOVERS by Sammy Fuller, Young to star in each picture and to have with him a comparable female star, terms 27½% United States, Canada and England and regular terms throughout the world, United Artists not to participate in expenses of any kind. Mr. Mills moved to authorize Management to enter into this arrangement. Mr. Schwartz seconded the motion and it was carried.

10. EDWARD GROHS

The telegram from George Bagnall also contained a proposal from Edward Grohs for a picture to be based on the best seller, Mrs. Mike, United Artists to have full approval of producer-director, cast and script, terms to be 27½% for United States and Canada, 30% for England and regular terms throughout the rest of the world, United Artists not to participate in expenses of any kind. Mr. Mills moved that Management be authorized to make this distribution contract. Mr. Weisman seconded the motion and it was carried.

11. MISS MARY PICKFORD

Mr. Weisman moved:

RESOLVED, that the Corporation reimburse to Mary Pickford the sum of Twenty-Two Thousand Five Hundred ($22,500.) Dollars as reimbursement to her for payments made by her to the law firm of Pepper, Bodine & Stokes in the amounts of Fifteen Thousand ($15,000.) Dollars on July 27, 1944, Three Thousand Seven Hundred Fifty ($3,750.) Dollars on November 1, 1945, and Three Thousand Seven Hundred Fifty ($3,750.) Dollars on January 6, 1947, inasmuch as these sums were moneys paid by Miss Pickford to said counsel for legal services rendered for the benefit of United Artists Corporation.

Mr. Schwartz seconded the motion and it was carried.

Mr. Weisman moved:

RESOLVED, that this Corporation does hereby acknowledge that there is no indebtedness owing from Miss Pickford to United Artists or any of its subsidiaries in connection with the trip to Europe made by Miss Pickford in 1946 on behalf of the company.

Mr. Schwartz seconded the motion and it was carried.

12. ENGLAND BOOKINGS

The Chairman stated that he received a memorandum from Mr. Sears concerning the refusal of Rank circuits to book our product and urging that someone be sent to England immediately. Mr. Sears sent a cable to Mr. Rank, which cable was read at the meeting. At this point, Mr. Sears was invited to come to the meeting. He explained that the Rank circuits are giving more playing time to Eagle-Lion and to Universal and not booking our product and that Mr. Davis has refused the last eight pictures and, although we have had similar problems during the past year and have succeeded in getting playing time from time to time, anything we have done has just been on a temporary basis. Our attorney, Mr. Welsford of Slaughter and May, could not suggest anything that we could do. There was considerable discussion on this matter.

13. BROADWAY THEATRE

The Chairman read to the meeting the following letter from Arthur W. Kelly:

"April 3, 1947

Mr. Grad L. Sears
United Artists Corporation
729 Seventh Avenue
New York 19, N.Y.

Dear Grad:

The appropriation for advertising, Marquee, electric signs, etc. for Mr. Charles Chaplin's picture, MONSIEUR VERDOUX will be approximately $100,000.

We have never spent this amount on a Charles Chaplin picture before. It is made necessary because the Broadway Theatre is not a motion picture house. As I explained to you before, I thought United Artists Corporation should make some contribution toward the advertising budget because of trying to establish the house.

Mr. Chaplin believes that the Theatre should stand $25,000. of his appropriation, which $25,000. should be spread over the lease of the house. Mr. Chaplin contends that his picture is being used to establish the house as a motion picture theatre, from which the other producers would receive the benefit and therefore he doesn't see why he should bear all this expense.

Should you disagree with me on this matter, I would greatly appreciate if you would pass it over to Mr. Raftery to bring up at the next meeting of the Board of Directors, which I understand is next Tuesday.

Yours sincerely,
Arthur W. Kelly"

Mr. Schwartz moved that the Broadway Theatre stand $25,000 of the appropriation referred to in the letter and spread it over the period of the lease. Mr. Weisman seconded the motion and it was carried.

14. HERBERT SHEFTEL

Mr. Sears stated that Herbert Sheftel wants a distribution agreement for 13 short subjects for one year with options on the basis of 35% for the United States and 50% for foreign. Mr. Sheftel would have a tie-up on these pictures with either Newsweek or the American Weekly. Mr. Sears recommends the proposition. After the Board viewed the first picture called DIVORCE, it was the consensus of opinion that these pictures should not be distributed by United Artists Corporation.

15. MISS MARY PICKFORD

Miss Pickford stated that she desired her contract to be with Artists Alliance in which she owns 51% instead of with The Pickford Corporation with respect to seven pictures which she is making with Lester Cowan. There was discussion concerning the fact that perhaps the contract should be with The Pickford Corporation and The Pickford Corporation could then assign certain rights to conform with the arrangement she is making.

Miss Pickford stated that four of the Comet pictures were complete but Comet Productions, Inc. needs six months additional time on the remaining two pictures. Mr. Mills moved that the Comet Productions, Inc. contract be extended accordingly. Mr. Cole seconded the motion and it was carried.

16. EDWARD SMALL

The Chairman read a letter from Harry Kosiner, representative of Edward Small Productions, Inc. in which he stated that Edward Small Productions desires to borrow from United Artists Corporation the sum of 75,000,000 Francs for a production project in France. After discussion, Mr. Weisman moved to table this matter. Mr. Schwartz seconded the motion and it was carried.

The meeting then adjourned.

Edward C. Raftery, Chairman

Harry J. Muller, Secretary

[Sample]

AGREEMENT

between

_____

and

UNITED ARTISTS CORPORATION

_____

DATED [illegible] 19

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AGREEMENT

Dated , 19

By and Between

Producer

with a place of business and address for all purposes hereunder at

and

United

UNITED ARTISTS CORPORATION

a Delaware corporation, with its place of business and address for all purposes hereunder at 729 Seventh Avenue, New York City, New York.

WITNESSETH:

WHEREAS, Producer wishes to have the product specified in Schedule "D" marketed by United; and

WHEREAS, United wishes to market such product,

NOW, THEREFORE, in consideration of the premises, Producer and United agree as follows:

DEFINITIONS

Any definitions which are a part of this agreement are contained in Schedule "A" attached hereto.

THE PRODUCER

The description and provisions concerning Producer are set forth in Schedule "D" attached hereto.

SPECIFICATIONS AND DESCRIPTION OF MOTION PICTURES TO BE DELIVERED

The description of the product to be delivered hereunder, the conditions concerning such product, the type and quality thereof, the number of motion pictures and time of delivery of those motion pictures are set forth in Schedule "D". If only one, the words "motion pictures", wherever they appear, shall be read in the singular as "motion picture".

GRANT

Producer grants to United and United accepts from Producer the sole and exclusive right, license and privilege to exploit, distribute, exhibit and market, and cause to be exploited, distributed, exhibited and marketed the motion pictures specified herein in all gauges throughout the world, and particularly in the territories set forth in Schedule "B" hereto attached. Such grant includes the following in addition to any other right which may be set forth herein:

a) the right to sub-license;

b) the right to broadcast and televise such parts of any such motion picture as United may deem advisable for the purposes of exploitation and advertising, provided Producer owns such right. All other broadcasting and television rights of every kind and character are reserved by Producer, except as provided elsewhere herein;

c) the sole and exclusive license under the United States copyright and any other copyright to exploit, distribute, exhibit and market the motion picture so copyrighted and the sole and exclusive right to license others under said copyrights.

PERIOD OF LICENSE

The period of license hereunder for each motion picture in each territory is five (5) years from the date of general release of that motion picture in that territory. But in any event the term of the grant and the period of the license shall terminate and come to an end seven (7) years from the date of general release in the United States of America.

WARRANTY

Producer hereby agrees that, prior to the delivery of any motion picture hereunder, it will have acquired the exclusive right for the production, distribution and exhibition of that motion picture, and the right to use the rights, plots, ideas, themes and all other matters and things upon which any such motion picture is based or which were used in the production of any such motion picture or in the recording thereof, and that it has acquired the right and license for the use of any patents or inventions for recording and reproducing all music and dialogue used therein, and that all rights granted hereunder to United by Producer are free and clear of liens of every kind and character and all royalties and license fees required to be paid have been paid. If such license fees, royalties or other clearance payments have not been made, Producer authorizes United at United's option to make such payments. Should United make any such payments, Producer agrees that United may deduct such payments from the first moneys due Producer hereunder, or upon United's demand to repay such payments immediately to United.

Producer further warrants and represents that no part of any such motion picture, or the exercise of any right granted herein, violates or will violate, infringes or will infringe the trade-mark, trade name, copyright, or literary, artistic, dramatic, property, patent or any other rights of any person, firm or corporation.

Producer further warrants and represents that no part of any such motion picture will infringe any personal, private or civic property rights or right of privacy or any other right of any person, firm or corporation.

Producer further warrants and represents that it has not and agrees that it will not at any time grant or attempt to grant to any

person, firm or corporation rights of any kind or character, the exercise of which will derogate from or compete with the rights granted or agreed to be granted to United hereunder.

IF BREACH OF WARRANTY

In the event any person, firm or corporation commences an action against United in any court of competent jurisdiction based on any of the matters of warranty or indemnity contained in this agreement, then, and in such event, Producer authorizes United to engage its own counsel for the purpose of defending such action or actions, as the case may be, in conjunction with any counsel that may be appointed by Producer to represent Producer in such litigation. In such event, Producer authorizes United to withhold from Producer's share of the gross receipts such sum as shall in the opinion of United be sufficient to protect amply United against any damages or expenses that it might suffer or incur because of such action. United agrees to deposit any moneys so withheld in such bank in the City of New York, State of New York, United States of America, as shall be designated by Producer, or if in a foreign territory in such bank in that territory as may be designated by Producer, such moneys to be held by the bank in escrow pending final and ultimate determination of any such action or actions.

Producer further agrees upon United's demand to pay any reasonable expenses which United might incur in such defense, either by way of counsel fees or otherwise, and agrees that if Producer fails to do so, United may deduct such expenses from Producer's share of the gross receipts first due Producer hereunder. Even without any such demand, and in any event, Producer agrees and authorizes United to deduct such expenses from Producer's share which first becomes payable to Producer hereunder.

SUB-STANDARD WIDTH

Producer grants unto United the right of first refusal for the right to market the sub-standard width film of any such motion picture for home, non-theatrical or any other similar use, such right of first refusal to continue during the license period granted hereunder of that motion picture. In no event shall either party release or

permit the release of sub-standard width film for such purposes until two years from the date of general release in the United States. Thereafter Producer shall submit any bona fide offer for such sub-standard rights to United, and United must meet that offer within ten days thereafter, failing which Producer shall be free to accept such offer.

PRINTS (POSITIVE COPIES)

Producer agrees to pay for and furnish to United simultaneously with the delivery of the negative of each motion picture hereunder two hundred and thirty-eight (238) positive copies of each such motion picture for use as follows:

a) Two hundred (200) positive copies for United States,

b) Ten (10) positive copies for the Dominion of Canada,

c) Twenty (20) positive copies for England,

d) Two (2) positive copies for South Africa,

e) Six (6) positive copies for Australasia.

Producer authorizes United to make or cause to have made positive copies in addition to those specified above but United will order only so many additional prints as are in its judgment and experience reasonably necessary for the purposes of this agreement.

Likewise Producer authorizes United to make or cause to have made all replacements of positive copies or parts thereof.

Producer authorizes United at United's option to undertake the payment of the cost of any or all of such positive copies and replacements, including the cost of those positive copies which Producer is obligated to furnish. Should United undertake any such payment Producer agrees upon United's demand to pay such cost or if United has advanced such cost, to repay United. Even without any such demand, and in any event, Producer agrees and authorizes United to deduct the cost of any such item from Producer's share which first becomes payable to Producer hereunder.

Producer shall deposit the negative of each motion picture in a first-class laboratory and agrees to give such written authorization to United as shall be required to enable United to take from

such negatives, positive copies, replacements of positive prints and parts thereof. If Producer so directs all laboratory work shall be done in the laboratory designated by Producer and United may not move the negative to any other laboratory without the written consent of Producer.

Color

United shall not, however, make or cause to be made any additional color positive copies without the approval of Producer. Producer, however, agrees not to withhold its approval unreasonably but to authorize the making of such additional color positive copies as in the opinion of United may be reasonably necessary and advisable for the marketing of such color motion pictures.

Print Condition

United agrees to use all reasonable efforts to have the positive copies distributed by United always clean and in good condition in order to produce high quality projection and sound when used for exhibition, the condition, however, to be consonant with the license fees or rentals of the particular engagement.

Location of Prints

United agrees to report to Producer or its agent in writing upon its written request the location of the positive copies of its motion pictures in the possession of United.

Unauthorized Copying

United agrees to use its best efforts to prevent as far as it reasonably can the unauthorized copying or duplication of any negative or positive copy of any motion picture delivered hereunder so long as United continues to distribute that motion picture.

Storage and Insurance on Negatives

Storage and insurance on negatives shall be provided for, borne and paid for solely by Producer.

Return of Negatives, etc.

At the expiration or termination of the license period hereunder, if so requested by Producer or its agent in writing one month prior thereto, United agrees to deliver to Producer at Producer's cost such negatives, positive copies, still negatives, dubbed and superimposed negatives and positive copies, lavender prints, dupe negatives, sound tracks and trailers which are in the custody of United as shall then be in existence and in usable condition. In the event any such properties are destroyed or lost or are in the judgment of United in unusable condition United shall be under no obligation to return them but may dispose of them, at the same time furnishing Producer or its agent with an affidavit of this fact.

DELIVERY

Producer agrees to deliver each motion picture to United complete and ready for exhibition together with the number of positive copies and other properties which it is obligated to deliver hereunder. Producer agrees to make such delivery within twelve (12) weeks after the completion of such motion picture should it legally be able so to do.

Delivery is accomplished for all purposes hereunder by the delivery of the negative, as defined in Schedule "A", to a laboratory, cut and ready for release prints to be taken therefrom and access to that negative being given without restriction to United, such picture having been properly certified by the appropriate authorities, and the positive prints delivered to United as provided on page 5 hereof.

ROAD-SHOW

Producer reserves unto itself the right to "road-show" any motion picture in the United States and Canada before delivering it to United for marketing. All expenses in connection with any such "road-show" shall be borne and paid for by Producer. Should there be a net profit, however, Producer shall pay to United an amount equivalent to ten per cent. (10%) of such net profit within thirty (30) days after the close of any such "road-show" engagement. Each engagement shall be computed separately.

A "road-show" for the purposes of this agreement means an exhibition, not continuous throughout the day, prior to general release with reserved seats at admission prices substantially higher than those customarily charged for first-run showing in the vicinity of the theatre in which the "road-show" engagement is booked.

TELEVISION

The parties hereto agree that television may require a new method, manner or system of marketing motion pictures. Accordingly, United agrees that with respect to such motion pictures as to which Producer owns the necessary television rights United will market such motion pictures in relation to television in the same manner and under the same method as may be from time to time adopted by other major motion picture distributors and at rates approximately not less favorable to Producer than those from time to time adopted by other comparable television distributing agencies. If and when television shall become a commercial practice and United shall not then acquire the necessary facilities with which to market the motion pictures in the television field in a manner favorably comparable to its present-day standards of distribution, then Producer shall be privileged to dispose of its television rights in the motion pictures to any other party.

GENERAL RELEASE DATE

United will designate the general release date of each motion picture delivered hereunder in the United States of America and the Dominion of Canada respectively.

United shall fix the general release date of each such motion picture in all other territories as soon as possible after delivery as is consonant with sound business and the existing laws in each of such territories.

RELEASE SEQUENCE

Producer is cognizant and agrees that all motion pictures marketed by United shall be released in the United States substantially in sequence of delivery to United by producers, unless a different order of release is to the best interests of Producer, or unless in United's judgment market conditions make such order of release impracticable.

REPORTS OF RELEASE

United agrees to report to Producer or its agent the release date in each territory as soon as such date is known by United at its Home Office in New York City.

PICTURE MUST BE EXHIBITED AS DELIVERED

United agrees

to make no modifications, interpolations, changes, additions or eliminations of any kind in any such motion picture, or of any part thereof, including titles and subtitles, except such changes as United may be obligated to make by a duly authorized Board of Censors, or such other regulatory body,

to exhibit any such motion picture in the same order, arrangement, sequence and manner as when delivered to United by Producer, except as changed in accordance with censorship or governmental requirements as herein provided; and in foreign territories subject to such changes as are required to conform with censorship or other governmental regulation in such foreign territories, or such minor changes as United feels are necessary to adapt the motion picture for any particular foreign territory,

to submit to Producer or its agent a description of the changes required for its approval should such changes be substantial. Should Producer or its agent wish to disapprove, it must do so in detail in writing within three (3) days of the date of the receipt of the notice of such required changes, otherwise the changes shall be deemed approved,

to provide in each contract of exhibition of any such motion picture for the exhibition of such motion picture in the same order, arrangement, sequence and manner, including main title and other titles, as such motion picture is delivered to United, except such changes as are made as hereinbefore provided and as are necessary for foreign territories, and to enforce this provision of the contract of exhibition at its own expense with reasonable dispatch.

All costs in connection with any of the above shall be borne by Producer and Producer authorizes United to deduct such costs from the first monies due Producer from United hereunder.

CENSORSHIP

Should any legally constituted Board of Censors or similar governmental body having power and authority to prevent the circulation or marketing of motion pictures condemn or prohibit the exhibition of any motion picture delivered hereunder or require the excision of any substantial portion thereof, Producer agrees to make reasonable efforts to replace or rearrange that portion of such motion picture so condemned or prohibited with reasonable promptness. Whether such replacement or rearrangement be practicable or desirable shall be determined by Producer and such determination shall be conclusive.

In the event the changes required by such Censorship Board be not substantial Producer authorizes United to make such changes. Any costs arising under these censorship paragraphs shall be borne by Producer and Producer authorizes United to deduct such costs from any monies first due producer hereunder.

UNITED'S OBLIGATIONS

United agrees to devote its best efforts to the proper marketing and disposition of the motion pictures delivered hereunder in all the territories wherein it customarily markets motion pictures and to make such marketing as complete and efficient as practicable so that the gross returns from the marketing of the product hereunder shall be as large as possible and at the same time consistent with the sound business policy of United.

Producer recognizes, however, that because of difficulties in the marketing of motion pictures it is sometimes necessary and in keeping with sound business that rebates, allowances, deductions and cancellations be made, and Producer agrees that United may make such rebates, allowances, deductions or cancellations which United in its discretion may deem wise, advisable and reasonably necessary.

Producer agrees, however, that United may cease marketing in and withdraw its motion pictures from any territory wherein to continue the marketing of its motion pictures in such territory would be inconsistent with its sound business policy.

Producer is cognizant that United may find through experience and analysis that as a matter of business wisdom it should change from time to time its method of doing business in a specified territory from

maintaining its own exchange or exchanges in that territory to selling in that territory by outright sale or to contracting with a licensed agent to carry on distribution in that territory, and agrees that United has the right so to do. United may not change, however, in the United States, Great Britain, Canada or Australia. Should United change, the compensation payable to it shall be that fixed for other territories of comparable character in which United does business by the same method.

EXHIBITION CONTRACTS

The exhibition contracts for each of such motion pictures delivered hereunder shall be made separate and apart from the exhibition contract of any other motion picture marketed by United, with the exception that in territories other than the United States where it is customary to include more than one motion picture on a contract Producer authorizes United to market its product in accordance with that custom. In no event, however, shall any motion picture of Producer be used to enforce the licensing, leasing or other disposition of any other motion picture marketed by United, and in such territory where it is the custom to include on one contract more than one motion picture United shall set out the respective license fees for each motion picture after the name of such motion picture.

United agrees that upon the written direction of Producer United shall market wherever legal and permissible the motion pictures designated by Producer as a unit, and in such case such unit shall be licensed separate and apart from any other motion picture marketed by United, with the exception that in those countries where it is the custom to market all of the motion pictures on one contract, United may adhere to the prevailing custom.

Other than is specifically provided for hereinabove and elsewhere throughout this agreement, Producer reserves the right to control and determine the general sales and marketing policy for its own motion pictures provided such policy is consonant with the quality of the picture and consistent with the marketing practices generally followed by United.

PRODUCER'S RIGHT OF APPROVAL OF EXHIBITION CONTRACTS

Producer shall have the right to designate a representative for the territories hereinafter specified. Producer shall bear all the expenses of such representative. Such representative must have an office in such territory reasonably proximate to United's office. The territories and the location of United's offices are as follows:

Territory	Central Location
United States and Canada	New York
British Isles	London
Australia	Sydney

The representative designated by Producer must represent Producer alone. Producer may not designate a representative who represents more than one producer.

If Producer has designated a representative for any such territory United shall submit each proposed written contract for the marketing of each of Producer's motion pictures to Producer's representative in that territory. No such contract shall be accepted by United if within three (3) succeeding business days following the date on which said proposed written contract has been received by Producer or its representative Producer or its representative shall return such proposed contract to United with its written rejection noted.

Should Producer or its representative reject any such proposed contract Producer or its representative shall have fourteen (14) days from the date of rejection in which to obtain a more favorable contract. Should Producer or its representative fail so to do the original contract shall ipso facto be deemed approved unless Producer or its representative shall have designated its original rejection as final. No proposed contract on which the rejection has been designated as final shall be entered into by United.

Should Producer or its representative at any time agree in advance with United upon the rental terms or license fees for the distribution, exhibition or marketing of any motion picture in any specified theatre or situation, United shall not be obligated to submit the contract to Producer or its representative for approval.

Producer agrees that United need not in any event submit for Producer's approval contracts with exhibitors in licensee territories.

OUTRIGHT SALES OR AGENCY DEALS

All contracts for outright sales or with licensed agencies in Europe shall be submitted to Producer and any rejection thereof must be exercised by Producer in accordance with the procedure set forth above in the paragraph entitled "Producer's Right of Approval of Exhibition Contracts".

PROGRAM SALES

The parties recognize that in certain foreign territories of the world it is necessary, because of existing customs, to distribute motion pictures on a so-called program basis and Producer does hereby authorize United to deduct the cost of the balance of the program from the price of such program before accounting on any such contract. Likewise, it is the custom in certain parts of the world to furnish free to exhibitors lithographs and trade accessories as part of the exhibition and Producer does hereby authorize United to deduct the retail cost of such lithographs and accessories from the sum realized by United for such exhibition.

FRANCHISE AGREEMENTS

A franchise agreement is one in which an exhibitor agrees to exhibit all of United's product released at any time during two or more seasons.

Producer agrees that United may include Producer's motion pictures in any franchise which is presently outstanding in any territory outside of the United States and in any presently outstanding franchise in the United States if not declared to be illegal in a court of final jurisdiction. However, United may not include Producer's motion pictures in any franchise agreement not presently outstanding in any territory where Producer has a representative without having first obtained the written consent of that representative.

Producer agrees that United may contract for the showing of Producer's pictures in any theatre in which United has an interest. The license fee to be paid for such showing, however, must be fair and reasonable.

COPIES OF CONTRACTS

United agrees to deliver to Producer or its representative

a) In United States and Canada

A duplicate original copy of each contract taken for the distribution, exhibition or marketing of any of Producer's motion pictures delivered hereunder.

b) In Territories Other than United States and Canada

A statement of the business contracted.

EXHIBITOR LITIGATION

Producer agrees that the question of whether or not United shall bring legal action to enforce any exhibition contract written hereunder shall be within the sole discretion of United. Should United conclude that legal action is impractical or inexpedient it shall so advise Producer. Should Producer decide it wishes United to attempt to enforce that contract by legal action, United will be guided by the advice of Producer and will seek to enforce such contract by legal action, but all costs of such proceeding must be paid for by Producer.

LITIGATION EXPENSES AND FEES

In the following instances litigation expenses and fees incurred in seeking the enforcement of exhibition contracts shall be borne by Producer and United respectively in the same proportion as the proceeds from the contract in litigation would be divided:

1. When a contract is unplayed due to no negligence on the part of United, regardless of whether the contract is for a "flat rental", a "guarantee against a percentage" or a "straight percentage".

2. When a contract for a "flat rental" or a "guarantee against a percentage" is played and United with approval or consent of Producer has extended credit to the Exhibitor, but due to no negligence on the part of United it is unable to collect all or part of the film rental due it.

3. When a contract for a "straight percentage" is played and by the nature of such contract credit has to be extended to the Exhibitor, but due to no negligence on the part of United it is unable to collect all or part of the film rental due it.

Producer agrees that United may deduct Producer's share of any such litigation fees and expenses from the monies that first become due Producer hereunder.

CHECKING

Producer authorizes United to check itself or through an independent agency such engagements in the United States and Canada for which United deems checking advisable, and to give reasonable consideration to checking each engagement Producer requests United to check. The cost of checking shall be borne by Producer and Producer authorizes United to deduct Producer's share of the cost from the first monies due Producer by United hereunder.

CASH COLLECTION BASIS

Producer agrees United's obligation of accounting and payment hereunder is on a "Cash Collection" basis. Producer agrees that for convenience in some territories, including the United States, United may account on a "Played and Earned" basis. Such accounting on a "Played and Earned" basis, however, shall not alter United's basic obligation to pay and account on a "Cash Collection" basis, and Producer agrees that United may adjust its accountings from time to time to reflect accurately its obligation to pay and account on a "Cash Collection" basis.

PAYMENT TO PRODUCER

United agrees to make payment to Producer of such sums as become due Producer by the application of Schedule "C" attached hereto to the gross receipts after the deduction of any costs and expenditures to be borne by Producer in accordance with the terms of this agreement.

COSTS AND EXPENDITURES

Producer authorizes United to pay or incur the costs and expenditures specified in Schedule "C" and elsewhere in this agreement and, at United's option, to advance the moneys for such costs and expenditures and to deduct such costs and expenditures as is designated in Schedule "C" or elsewhere in this agreement from the monies that first become due Producer hereunder. Moreover, Producer agrees United may deduct from the moneys which may first become due Producer hereunder such other costs and expenditures as may be incurred by United on behalf of Producer in connection with the distribution of any motion picture delivered hereunder.

TIME OF PAYMENT

United agrees to make payment of all moneys due Producer hereunder as follows:

a) **Costs, Expenditures and Advances Therefor**

to deduct from any moneys which may first become due Producer hereunder Producer's costs and expenditures specified in Schedule "C" and elsewhere in this agreement and in any modifications hereof or amendments thereto, and thereafter

b) **United States of America**

to make payment to Producer within three weeks from the end of each week in which any of Producer's motion pictures have been played and the rental has been paid to United, and

c) **Canada**

to make payment to Producer within three weeks after any of Producer's motion pictures have been played and the rental has been paid to United and received by United at its New York Office, and

d) England

to make payment to Producer within two weeks after the moneys due Producer and statements of allocation are received by United at its New York Office. United agrees, however, that such Producer's moneys shall be sent to United's New York Office within one month after the end of each week in which the gross receipts shall have been collected, provided there are no restrictions that prevent such a procedure, and

e) Territories Other than United States, Canada and England

to pay all moneys due Producer on account of the marketing of any of Producer's motion pictures in any territory other than the United States, Canada and England promptly, and in no event later than two weeks after receipt of such moneys and statements of allocation by United at its New York Office. United agrees that such Producer's moneys and statements of allocation will be sent to United's New York Office within one month after the end of the calendar month in which the gross receipts have been collected, provided there are no restrictions that prevent such a procedure.

CONVERSION OF CURRENCIES

Whenever the moneys derived from the marketing of any motion picture in any territory are paid to United in foreign currency, United, unless advised in writing to the contrary by Producer, may convert such currency into United States currency, and Producer agrees to accept and be bound by the terms of such conversion.

FOREIGN EXCHANGE

In any territory or country outside of the United States all gross receipts shall be expressed in the standard currency of the territory or country in which the gross receipts were received and the rate of exchange in effect at the time of the transfer of the moneys from such territory or country to the United States, provided there are no restrictions on the transfer of the moneys.

RESTRICTED FUNDS

Should the free withdrawal of funds from any foreign country be restricted by any governmental action and should the withdrawal of only part of such funds be permitted and it then becomes necessary to allocate such withdrawals, Producer agrees that United may adopt such formulae of allocation between its producers as United may deem advisable, wise and reasonably necessary, and Producer agrees to accept any such formulae of allocation as binding and conclusive.

STATEMENTS

United shall accompany each payment with settlement statements. Any error or omission contained in any such statement may be corrected by United in any subsequent statement.

ADJUSTMENT

United shall adjust any overpayment or underpayment and make such adjustments on a subsequent payment and settlement statement which will be furnished by United to Producer.

UNITED'S BOOKS AND RECORDS

United will keep books of account and records of the distribution, marketing and exhibition of each motion picture marketed by it hereunder, which books and records shall be open to the inspection of Producer, a regular employee of Producer or its representative if such representative be a Certified Public Accountant, and Producer or its representative shall be entitled to make an examination thereof and take extracts therefrom. The aforesaid right of inspection, however, does not entitle Producer to examine any records, documents, contracts or books of account or entries therein pertaining to any other producer or to any motion picture other than a motion picture delivered by Producer hereunder.

MONEYS DUE UNITED

In the event that there be any moneys due to United from Producer which United is unable to deduct from any moneys due Producer hereunder, Producer agrees upon notification in writing thereof to pay forthwith such moneys to United.

ADVERTISING, PUBLICITY AND EXPLOITATION

1. Synopsis

Producer agrees that United may make a synopsis of the story upon which the motion picture is based for advertising and exploitation purposes, such synopsis to be in conformity with the rights of Producer to make such a synopsis. United shall submit such synopsis to Producer or its agent for approval, but Producer or its agent shall not withhold approval unreasonably.

United agrees to use all reasonable efforts to see that due and proper notices of the source of any such synopsis shall appear on each publication of such synopsis.

2. Credits

United agrees to announce the credits of which it is instructed by Producer. If Producer fails to instruct United after written request by United, Producer authorizes United to announce the name of Producer, the author or authors of the story upon which such motion picture is based, the actors, actresses, the composers and arrangers of music and such other persons who may have contributed together to the production of the motion picture as United may elect in its discretion.

The authority granted hereunder refers also to any advertising, publicity or exploitation connected with any motion picture delivered hereunder.

3. Stills

Producer agrees to deliver to United a negative and six prints of still photographs and authorizes United to have made such additional prints as United shall deem wise and to use all such prints for publicity and exploitation purposes, the cost thereof to be borne by Producer.

4. Trailers

Producer grants to United the right to enter into contracts with trailer distributors for the marketing of trailers and agrees to deliver at its expense to United a trailer negative of each motion picture, as described in Schedule "A" hereto, and United is authorized to make or cause to be made trailer positive copies thereof for use in the marketing of such trailer positive copies.

a—United States

United agrees that any revenue or income received by it from the use of trailer positive copies in the United States shall belong to Producer and that no part thereof shall be deemed gross receipts hereunder.

b—Any Territory Other than United States

In any territory other than the United States the cost of such trailer positive copies shall be borne by United and Producer agrees that any moneys derived from the marketing of such trailer positive copies shall belong to United and no part thereof shall be deemed gross receipts hereunder. This shall include Canada.

5. Advertising Matter

Provided Producer has a place of business or an authorized agent to whom such matter may be submitted in New York City, United agrees to submit all domestic advertising copy and matter to Producer for its written approval. Should Producer not reject the matter submitted within three (3) days after submission, the matter shall be deemed approved, and Producer thereby authorizes United to use such matter so submitted or other advertising copy and matter substantially similar. If such matter is rejected by Producer or its agent, United shall submit new advertising copy and matter in accordance with the suggestions of Producer or its agent as aforesaid.

6. Co-Operative Advertising and Exploitation

Any sums to be expended on co-operative advertising in newspapers and radio and by special exploitation shall be mutually agreed upon, but the cost shall be borne by Producer.

7. National Advertising and Exploitation

In United States and Canada the cost of fan magazine advertising, direct to the public advertising and special exploitation for any motion picture shall be borne by Producer. Producer authorizes United to deduct any such costs from the moneys that first become due Producer from United hereunder.

8. Tradepaper Advertising

Producer shall bear the cost of all tradepaper advertising.

9. Campaign Books

United shall prepare and have charge of campaign books and sales promotion books. The cost of preparation and the cost of all campaign books or sales promotion books used for any territory shall be paid for by Producer, and Producer authorizes United to deduct the cost thereof from any moneys that shall first become due Producer hereunder.

10. Advertising Accessories

United agrees to supply exhibitors with first-class lithographs and other advertising and promotion accessories at a reasonable price and in such quantity as may be ordered by the exhibitors. United agrees, however, to submit to Producer for its approval the general character of such lithographs and accessories to be used for domestic distribution. If Producer or its agent fails to reject such material within three (3) days of the date of its submission, it shall be deemed approved and Producer authorizes United to use such material or other material substantially similar. Should Producer or its agent reject such material, then United shall submit new material in accordance with the suggestions made by Producer or its agent for approval as aforesaid.

United shall have the sole and exclusive right to order and have made all lithographs and accessories. Producer agrees that all moneys that United may receive for the sale or other disposition of such lithographs and accessories shall belong solely to United, and no part thereof shall belong to Producer or become part of the gross receipts hereunder.

CHARACTER OF ADVERTISING AND PUBLICITY

Producer agrees that neither it nor United shall use any advertising or publicity offensive to the public taste, that will cause umbrage to any person, business or civic authority, or that will tend to damage, impede or interfere with the general business reputation of United or the regular pursuit of United's daily business activities and that United shall be entitled to injunctive relief against Producer's violation of this paragraph.

COPYRIGHT

All copyright fees, costs of copyrighting and the material therefor shall be borne and paid for by Producer. Producer authorizes United to deduct any such fees and costs from the moneys that first become due Producer from United hereunder.

United States

Producer will advise United in writing simultaneously with the delivery of any motion picture hereunder whether United should copyright that motion picture in the United States in the name of United or in the name of Producer.

Other Territories

Producer hereby authorizes United to take such steps as it may deem advisable to protect United's rights and those of Producer herein, and to copyright any such motion picture wherever United shall deem such a copyright expedient.

However, United assumes no obligation to secure copyrights in any territory hereunder, as it is agreed that the obligation to protect the motion picture by copyright is that of Producer.

VERSIONS FOR FOREIGN DISTRIBUTION

1) Superimposed Versions

Producer authorizes United to make as many superimposed language versions of each motion picture for distribution in non-English speaking territories (meaning any foreign territory where English is not the prevailing language) as United may deem wise and reasonably necessary. The costs of such superimposed language versions shall be borne by Producer. Such costs may be advanced by United and deducted from the moneys first due Producer hereunder from all territories in which such version is distributed.

If the cost of any superimposed version is not paid in full within one (1) year from the date of its purchase, United shall advise Producer of the balance due and Producer agrees to pay such balance to United upon the demand of United and United may deduct such balance from any moneys which may first become due Producer from United under this contract.

2) Dubbed Versions

Within sixty (60) days after the first general release of any motion picture, Producer shall notify United in writing of the dubbed versions it wishes to have made and shall as promptly as practicable furnish United with such completed dubbed versions ready for printing.

The cost of such dubbed versions shall be paid for by Producer. If United should advance the cost of dubbing, Producer authorizes United to recoup that advance from Producer's share of the proceeds from the marketing in the territories in which that dubbed version is used.

If any part of the cost of such dubbed version is not recouped within one (1) year from the date when that dubbed version was made and United shall have advanced the whole or any part of the cost thereof, then and in that event United shall advise Producer of such unrecouped balance and Producer agrees to make payment therefor and Producer authorizes United to deduct such unpaid balance from any moneys which may be due Producer from United.

BANKING RESTRICTIONS

In case of a moratorium, embargo or banking restriction in any territory or country rendering it impractical or impossible for United to make the payments due to Producer in United States currency, United shall have the right to make payment to Producer in the territory or country affected by such restrictions in the currency of such territory or country.

In the event of a moratorium, embargo or banking restriction in any particular territory, and as a result thereof the rental or consideration derived from the marketing and exhibition of any such motion picture in such territory accumulates in that territory, then, (a) if Producer consents, United may withdraw such money if able to do so; or (b) if Producer does not consent, United may withdraw United's share of such money and leave Producer's share as directed by Producer. At any time, however, that there are dollar balances outstanding against Producer at United's Home Office in New York City, Producer authorizes United to convert any funds available for the purpose of liquidating such dollar balances.

In any event Producer shall have the right at its option, if no governmental restrictions prevent it, upon written notice to United, to have the same deposited to Producer's credit in such foreign territory in such depository therein and in accordance with such written instructions as may be given to United by Producer from time to time, and Producer agrees that all costs on account of such deposits shall be borne by Producer, and upon making deposits of such funds in such territories in compliance with such written instructions United is thereafter released by Producer from any further liability regarding any such funds.

CONTRACT PERSONAL

This agreement is personal in respect to each of the parties hereto, and neither can assign the same, except as herein expressly permitted, nor permit the same to be transferred by involuntary act, by operation of law or otherwise, without the written consent of the other first had and obtained.

PRODUCER'S RIGHT TO ASSIGN

(a) United agrees that Producer may transfer title to any motion picture delivered hereunder. In such event, however, Producer shall remain liable for the performance of the provisions of this contract unless United consents to release Producer from such liability, such consent not to be withheld unreasonably, and any such transfer shall be subject to the rights of United under this agreement and any modifications thereof or amendments thereto.

(b) United agrees that Producer may assign all of its right, title and interest in and to any motion picture, including the copyright thereto, the negative and positive copies thereof and the rights to any monies payable to Producer hereunder, to any bank or other person, firm or corporation, as collateral security for a loan or repayment thereof; provided, however, that any such assignment shall be made subject to the rights of United under this agreement and any modifications thereof or amendments thereto, and that it shall not operate to relieve Producer of any of is obligations hereunder.

(c) United agrees that Producer may assign to any person, firm or corporation all or any part of Producer's interest in the receipts or proceeds of the motion pictures. Any such assignment shall be made subject to the rights of United under this agreement and any modifications thereof or amendments thereto, and shall not operate to relieve Producer of any of its obligations hereunder.

Upon Assignment of Producer's Share

Producer recognizes that the accounting records and procedure of United are complex and if at any time during the term of this agreement Producer assigns the moneys due and payable to it hereunder to one or more parties, Producer agrees to authorize United, in writing, to make such payments to such parties, and in that event United agrees, subject to its rights under this agreement and any modifications thereof or amendments thereto, to make such payments in accordance with such authorization from Producer, provided, however,

1) that such assignment or assignments shall be for a specified sum plus, if any, interest, attorney fees and collection charges, and if more than one assignment, such assignments will not conflict with one another, and

2) that United need not accept any assignment or pay out under any assignment where the formula or basis of computation leaves any doubt of interpretation whereby United takes any risk whatsoever.

Estimate of Residuals

Should United make any estimate of residuals or residual values at any time hereafter said estimate will be made solely for the convenience of the one who requests the estimate, and United assumes no obligations thereunder nor makes any warranty of the accuracy thereof.

LAW OF NEW YORK

This contract shall be construed and interpreted pursuant to the laws of the State of New York.

RIGHTS AND REMEDIES CUMULATIVE

Each and all of the several rights and remedies herein expressly reserved in respect to Producer and United shall be construed as cumulative and no one of them as exclusive of the other or in lieu or limitation of any of the others or of any right or priority allowed by law.

NOT A PARTNERSHIP

Producer and United agree that this agreement shall be construed as in no sense creating a partnership or joint venture between the parties hereto, and that neither shall have any authority to bind the other or its representatives in any way, but the provisions of this paragraph are not intended to destroy or diminish in anywise the rights, licenses and privileges granted to United with respect to the motion pictures included in this agreement. United is not a fiduciary, but an independent contractor hereunder.

UNITED'S TRADE-MARK

Producer agrees United has the right to attach its trade-mark upon all positive copies and advertising and exploitation material used in the marketing of any motion picture hereunder.

UNITED'S DEFAULT

In the event United violates any of the promises, covenants and obligations to be kept and performed by United pursuant to this agreement, United shall have thirty (30) days in which to rectify such violation and comply with this agreement after the mailing of a written notice by Producer setting forth such violation in detail by registered letter sent by Producer to United at the office of United, 729 Seventh Avenue, New York City, and the President of United, and until after the expiration of said thirty (30) days United shall not be in default. No proceeding shall be brought claiming any remedy for any alleged breach unless such notice shall have been given as herein provided.

CLAIMS OF PRODUCER

Producer must exercise any rights and remedies arising out of this agreement or any breach thereof within one (1) year from the date that the particular sum claimed to be due from United was actually due, and United is not obligated to keep its books, records and papers hereinbefore described pertaining to the transactions covered by this agreement more than one (1) year from the date when the particular item or items under dispute should have been paid by United to Producer as herein provided. Producer shall be forever barred and foreclosed from asserting any claim as to the matters contained in any statement or the correctness of any payment made unless Producer shall, within six (6) months after the receipt of any such statement, deliver to United a notice in writing setting forth a protest or claim and specifying the grounds thereof.

PRODUCER'S DEFAULT

In the event Producer violates any of the promises, covenants and obligations to be kept and performed by it pursuant to this agreement, Producer shall have thirty (30) days in which to rectify such violation and comply with this agreement after United shall have mailed a notice setting forth such violation in detail by registered letter to Producer to the address specified in this contract, and if Producer shall rectify such violation prior to the expiration of said thirty (30) days, Producer shall not be deemed to be in default. No proceeding shall be brought claiming any remedy for any alleged breach unless such notice shall have been given as herein provided.

WAIVER

Any waiver by Producer or United of any breach of any kind or character whatsoever by the other, whether such waiver be direct or implied, shall not be construed as a continuing waiver of or consent to any subsequent breach of this agreement on the part of the other, and particularly as regards the making and delivery of the statements, the keeping of the accounts and the delivery of any motion picture herein provided for.

UNITED'S INDEMNITY

United hereby agrees to indemnify and hold harmless Producer on account of any claim, demand, lawsuit or judgment brought by a third party against Producer based upon any act of United in violation of the terms of this agreement.

IF PRODUCER A BANKRUPT

In the event that Producer shall be adjudged a bankrupt in proceedings instituted by or against it, or take advantage of the insolvency laws of any state, territory or country, or a receiver, trustee or other court officer of its property be appointed and said appointment is not vacated within sixty days, or in the event of the voluntary or involuntary dissolution of Producer, then, and in any of the said events, United shall have the right to terminate and cancel this agreement as to all motion pictures included in this agreement which have not been delivered for distribution by Producer to United, by a notice served upon Producer by sending it under registered cover to the business address of Producer set forth on the first page hereof, to the effect that pursuant to the provisions of this paragraph United elects to terminate as of the date specified in such notice the rights conferred upon United with respect to the motion pictures included in this agreement but which have not been delivered to United by Producer. Such notice is to be served within sixty (60) days after the happening of any one or more of aforesaid contingencies set forth in this paragraph is discovered by United. Such termination of this agreement shall not affect this agreement relative to the motion pictures of Producer that are then being distributed by United pursuant to this agreement.

IF UNITED A BANKRUPT

In the event that United shall be adjudged a bankrupt in proceedings instituted by or against it, or take advantage of the insolvency laws of any state, territory or country, or a receiver, trustee, or other court officer of its property be appointed, or in the event of the voluntary or involuntary dissolution of United, then and in any one of said events, Producer shall have the right to terminate

and cancel this agreement by a written notice to be served upon United, and in addition thereto, Producer shall become revested with all the rights, licenses and privileges by this agreement conferred upon United with respect to each of such motion pictures, and such rights, licenses and privileges in United, its legal representatives, or those claiming under it or them, shall terminate.

RIGHTS FOR ALL ENGLISH SPEAKING COUNTRIES

Producer agrees to use its best efforts in each instance to acquire full and complete rights to any literary material upon which it bases any motion picture contemplated hereunder. If in any instance the rights that Producer can obtain are materially limited, it agrees not to produce any motion picture upon any such material without first getting the approval of United.

Producer agrees that United shall be under no obligation to accept for marketing hereunder any motion picture for which Producer has not the rights of distribution, exhibition, exploitation and marketing in every English speaking country.

IN WITNESS WHEREOF, the parties hereto have duly executed this agreement the day and year aforesaid.

UNITED ARTISTS CORPORATION (UNITED)

By_____

_____ (PRODUCER)

By_____

STATE OF
COUNTY OF } ss.:

On this _____ day of _____, 19___, before me came _____, to me known, who, being by me duly sworn, did depose and say that he resides in _____; that he is the _____ of _____, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

_____
Notary Public

STATE OF
COUNTY OF } ss.:

On this _____ day of _____, 19___, before me came _____, to me known and known to me to be the individual described in and who executed the foregoing instrument, and he acknowledged to me that he executed the same.

_____
Notary Public

STATE OF
COUNTY OF } ss.:

On this _____ day of _____, 19____, before me came _____, to me known, who, being by me duly sworn, did depose and say that he resides in _____; that he is the _____ of UNITED ARTISTS CORPORATION, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

_____
Notary Public

SCHEDULE "A"

Definitions

The following terms as used in this agreement shall be deemed to have the following meaning:

(a) The term "UNITED" shall mean United Artists Corporation and all of its subsidiary affiliated corporations and associated companies, firms and persons and usual accredited representatives.

(b) The term "MOTION PICTURE" shall mean a talking or talking and musical motion picture in black and white or in color originally recorded in the English language of 6,000 linear feet or more similar to those currently used in first class motion picture theatres in the United States during the period of this agreement.

(c) The term "GROSS RECEIPTS" shall mean and include all receipts without any deductions therefrom, except receipts specifically excluded in the body of this agreement, which may be derived by United, its exchanges and subsidiaries from the distribution, exhibition and marketing of the motion pictures delivered hereunder.

(d) Where a negative is "BLACK AND WHITE" it shall consist of

(1) A. One original picture negative.

B. One original sound track negative in synchronization with the picture negative,

C. One master print.

(2) A. A second original or dupe picture negative.

B. A second original or dupe sound track negative.

C. A master print.

D. A negative minus dialogue track.

E. Negative insert material.

F. Clear negative background without any lettering for the main, cast, credit and end titles.

G. Clear negative background for any English titles that might appear in the original negative.

H. Composite finegrain print on duplicating stock.

I. 2 show prints.

J. 2 composite dupe negatives.

(e) Where a negative is "COLOR" it shall consist of

An original sound color negative, completed and delivered to the color laboratory, which color negative shall at all times during the entire period of this agreement be available to United for the purpose of taking off color sound positive prints.

(f) A trailer negative shall consist of

A. 1 clear original or dupe negative of the picture without overlaid titles.

B. 1 dupe negative of the picture with English exploitation titles.

C. 1 dupe English sound track.

D. 1 original or dupe minus narration track.

E. 1 dupe music & effects track.

F. 2 prints of the original English trailers.

G. 2 composite master prints on foreign duplicating stock.

(g) Producer agrees to make up and to keep in its library or vaults, during the life of the contract, the material necessary for dubbing any picture being delivered hereunder, such as a negative, minus dialogue track, the picture backgrounds for main cast

and credit titles without English lettering, inserts, repeats and end titles, and to make such material available to United or to some third party, as the case may be, for the purpose of the making of dubbed versions.

(h) Producer agrees to keep in its vault, during the term of this contract, a negative or positive, minus dialogue and vocal track, for the re-recording of songs in foreign languages.

SCHEDULE "B"

Territories

The territories included under the headings listed in Schedule "C" are as follows (such descriptions are subject to such changes as may be required by business exigencies):

1. UNITED STATES:

   United States, Bermuda, Nassau, Hawaii, Alaska, Bahamas and ships sailing therefrom.

2. CANADA:

   Canada, Newfoundland, Nova Scotia, Labrador and ships sailing therefrom.

3. ENGLAND:

   England, Scotland, Wales, Irish Free State, Northern Ireland and the Islands adjacent to the British Isles, Gibraltar, Malta and British Ships.

4. AUSTRALASIA:

   (a) Australia, Tasmania and the Islands adjacent thereto, which include the Fiji Islands, New Caledonia and Society Islands.

   (b) New Zealand and the Islands adjacent thereto.

5. CONTINENTAL EUROPE:

   All the countries on the Continent of Europe, Libya and Islands adjacent to the Continent of Europe, and French North Africa, Morocco, Tunisia and Algiers.

6. CENTRAL AND SOUTH AMERICA:

All the countries of Central America and South America and the Islands adjacent thereto, Canal Zone, British West Indies, Trinidad and the Islands adjacent thereto.

7. PUERTO RICO, CUBA AND MEXICO:

Puerto Rico, Dominican Republic, Virgin Islands, Cuba, Mexico, French West Indies, Netherlands West Indies, Haiti and French Guiana.

8. FAR EAST:

Kingdom of Japan, China, Manchukuo, Philippine Islands, Singapore, Federated and Unfederated Malay States, Sarawak, British North Borneo, India, Burma, Ceylon and the Netherlands East Indies.

9. SOUTH AFRICA:

All of the countries south of the Equator, including parts of Uganda, Belgian Congo, French Equatorial Africa and Kenya.

10. NEAR EAST:

Egypt, Anglo Egyptian Sudan, Aden, Palestine.

SCHEDULE "C"

I. From the GROSS RECEIPTS United shall deduct:

FIRST:

(1) Sales or other taxes on gross receipts.

(2) Industry assessments, including copyright protection dues and including assessments for legal fees and costs connected with the anti-trust law suits begun against United.

(3) Trade organization dues.

SECOND:

From the remainder United's distribution charge, which is as follows:

(1) For territories wherein United maintains its own Exchanges:

UNITED STATES	27½%
CANADA	27½%
ENGLAND	27½%
AUSTRALASIA	37½%
CONTINENTAL EUROPE (Except where licensed agencies)	37½%
CENTRAL AND SOUTH AMERICA	50%
PUERTO RICO, CUBA AND MEXICO	40%
FAR EAST	40%
SOUTH AFRICA	30%
NEAR EAST	35%

(2) For Outright Sales, Fifteen percent (15%)

THIRD:

From this remainder United shall deduct the cost of the following items, to which reference is made in the body of this contract:

(1) Sound royalties, incl. Erpi and Nordisk Tobis	(Pg. 3)
(2) Music copyright royalties	(Pg. 3)
(3) Prints and replacements	(Pg. 5)
(4) Storage and insurance on negatives	(Pg. 6)
(5) Censor fees, charges and changes	(Pgs. 9 & 10)
(6) Exhibitor litigation	(Pg. 14)
(7) Checking	(Pg. 15)
(8) Photographic still negatives and prints	(Pg. 19)
(9) Advertising, exploitation and publicity	(Pgs. 19, 20 & 21)
(10) Copyright fees, expenses and cost of materials	(Pg. 22)
(11) Costs of superimposed versions	(Pg. 22)
(12) Costs of dubbed versions	(Pg. 23)

In addition to the foregoing, Producer authorizes United to deduct the cost of the following items:

(1) Duty

(2) Tax on Producer's share of receipts

(3) Sales, personal property, use or compensating taxes on prints

(4) Freight, insurance and transportation charges on negatives and prints from Producer to territory.

II. The balance shall be paid over to Producer.

III. LICENSEE TERRITORIES. In any licensee territory the licensed agency shall first deduct from the gross receipts its share of the gross receipts, together with the cost of superimposing and dubbing, prints, duties and other charges, all in accordance with the license agreement. Thereafter United shall retain 10% of the gross receipts, less 10% of the cost of superimposing and dubbing prints, duties and other charges and the balance shall belong to Producer, provided however, that in no event shall Producer receive less than 50% of the gross receipts less its proportionate share of the agreed deductions.

Charge to the account of UNITED ARTISTS 729-7th Ave NYC $

WESTERN UNION

A. N. WILLIAMS PRESIDENT

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

FOR VICTORY BUY WAR BONDS TODAY

APRIL 15,1947

STRAIGHT WIRE TO THE FOLLOWING

CHARLES SCHWARTZ, c/o Schwartz & Frohlich, 1450 Broadway, N.Y.C.
HERBERT P JACOBY " " " 1450 BROADWAY, N.Y.C.
H.C.WILLS, 630 Fifth Avenue, New York, N.Y.
REX DENNANT, c/o LUMLEY DENNANT & CO., 60 E 42nd St., N.Y.C.
FRANKLIN COLE, c/o Cole Hoisington & Co., 120 Broadway, New York, N.Y.
H.L. WEISMAN, c/o Weisman & Grant, 295 Madison Ave., N.Y.C.
A.M. GRANT, c/o Weisman & Grant, 295 Madison Ave., N.Y.C.

A Special Meeting of the Board of Directors of United Artists Corporation will be held at the offices of the corporation, at 729-7th Ave., New York, N.Y. on Thursday, April 17,1947, at 11 A.M., for the purpose of considering a deal with Hal Roach, and for any other business that may come before the Board.

HARRY J MULLER, ASST SECTY

CC MR H J MULLER

Charge to the account of UNITED ARTISTS 729-7th Ave NYC $

CLASS OF SERVICE DESIRED	
DOMESTIC	CABLE
TELEGRAM	ORDINARY
DAY LETTER	URGENT
SERIAL	DEFERRED
NIGHT LETTER	NIGHT LETTER

Patrons should check class of service desired, otherwise the message will be transmitted as a telegram or ordinary cablegram.

WESTERN UNION

A. N. WILLIAMS
A. PRESIDENT

CHECK

ACCOUNTING INFORMATION

TIME FILED

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

FOR VICTORY
BUY
WAR BONDS
TODAY

APRIL 15,1947

WESTERN UNION NIGHT LETTER TO FOLLOWING NAMES
!!!!!!!!!!!

CHARLES SCHWARTZ	c/o Schwartz & Frohlich, 1450 Broadway, N.Y.C.
HERBERT P JACOBI	" " " " "
K C MILLS	630 Fifth Ave., NYC
REX DENNANT	c/o Lumley.Dennant & Co., 60 E 42nd St., N.Y.C.
FRANKLIN COLE	" Cole,Hoisington & Co., 120 Broadway, N.Y.C.
K L WEISMAN,	" Weisman & Grant, 295 Madison Ave., N Y.C.
A.M.GRANT	" Weisman & Grant., 295 Madison Ave., N.Y.C.

!!!!!!!!

[illegible]

PLEASE ADD TO MATTERS FOR SPECIAL MEETING ON THURSDAY, APRIL 17,1947.

LIQUIDATION OF SPANISH COMPANY.

HARRY J MULLER, ASST SECTY

CC MR H J MULLER

MINUTES OF MEETING OF BOARD OF DIRECTORS
OF UNITED ARTISTS CORPORATION

A special meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Thursday, April 17, 1947, at 11 A.M.

There were present:

Herman L. Weisman
E. Claude Mills
Arnold M. Grant
Herbert P. Jacoby
Rex Dennant
Charles Schwartz
Edward C. Raftery

constituting a quorum.

There was also present Harry J. Muller, Assistant Secretary.

Before the meeting started, Miss Pickford talked to the members of the Board concerning various subjects. She then left the Board room.

Mr. Raftery acted as Chairman and Mr. Muller acted as Secretary.

1. NOTICE OF MEETING

The meeting was called pursuant to telegraphic notice attached to these minutes.

2. HAL ROACH

Mr. Schwartz stated that Hal Roach has been in controversy with the company, claiming that both legally and morally he had a contract with the company. The company took the position that it was a package deal with both Wanger and Roach which was never consummated. Mr. Schwartz stated that he discussed the matter with Mr. Roach who was agreeable to accepting from the company a contract for his four feature comedies already completed, plus two to be completed. He is willing to give up the right to any additional

comedies or any features. The territory is limited to the United States and Canada and the distribution charge is to be 27½%. In view of the controversy with Mr. Roach and the threat of a law suit, Mr. Schwartz recommended that a proposal along these lines be submitted to Mr. Roach or accepted by us. Mr. Mills moved that Management be authorized to make this deal as indicated above. Mr. Grant seconded the motion and it was carried.

3. LIQUIDATION OF SPANISH SUBSIDIARY

The Chairman stated that the Foreign Department is endeavoring to proceed with the liquidation of the Spanish subsidiary at the lowest cost possible. Including severance pay, it will be necessary for us to provide 1,300,000 Pesetas. We have received an offer of the 1,300,000 Pesetas at the rate of 7 cents against an official rate of 9.15 cents. This will require the sum of $91,000. Mr. Schroeder, Foreign Sales Manager, was then invited to the meeting to answer certain questions. He stated that the company has about fifty employees and six offices and two agencies. Last year at a 5 cent rate it lost $31,000 and for the first nine weeks of this year the operating loss has been $6,500. Mr. Dennant stated that Mr. Grinieff would be interested in buying our exchanges in Spain and Mr. Schwartz agreed to send a cable to Mr. Grinieff, who is now in Paris. Under the circumstances, this matter was tabled.

4. DIVIDEND DECLARATION

Mr. Grant moved the declaration of a dividend of $50,000 per unit of stock, aggregating $100,000, to be paid on April 25, 1947 to Stockholders of record as of this day. Mr. Schwartz seconded the motion and it was carried.

5. ARNOLD PRESSBURGER

The Chairman stated that Arnold Pressburger requested us to terminate his distribution contract with respect to HANGMEN ALSO DIE and IT HAPPENED TOMORROW and at the same time offered us a release. Mr. Mills moved that Management be authorized to terminate the distribution contract with respect to these two pictures provided United Artists Corporation received a release from the producer. Mr. Grant seconded the motion and it was carried.

6. RELEASE SCHEDULE

Mr. Grant requested that the Board of Directors be supplied from time to time with a schedule of proposed release dates for both domestic and foreign countries.

7. MISS MARY PICKFORD

Mr. Weisman stated that in connection with Miss Pickford's arrangements with Lester Cowan, it was necessary to attach a rider signed by United Artists Corporation. This rider was submitted by Mr. Weisman and amended by Mr. Schwartz. Mr. Mills moved that Management be authorized to execute the rider as amended by Mr. Schwartz. Mr. Jacoby seconded the motion and it was carried. The rider as amended is as follows:

> The undersigned, United Artists Corporation, does hereby acknowledge that its Board of Directors, on March 4, 1947, adopted a Resolution authorizing the company to enter into a contract with The Pickford Corporation, providing, among other things, that in each of the years 1947, 1948 and 1949 (computed from March 1st of each such year), The Pickford Corporation shall have the right to deliver to the company for distribution two motion pictures at so-called "sliding scale" terms; and that contracts giving force to such Resolutions are now being drafted.

The undersigned further acknowledges that Miss Mary Pickford has represented to it that The Pickford Corporation, directly or indirectly, owns at least 51% of the voting stock of Artists Alliance, Inc. Based upon such representation by Miss Pickford, pictures delivered by Artists Alliance, Inc. for release, by virtue of any assignment from The Pickford Corporation of its releasing right, will be recognized by the undersigned as pictures to be released under and subject to the terms of the proposed agreement with The Pickford Corporation, provided that Miss Pickford shall be the producer or executive producer of such pictures and shall be so announced on the screen, advertising and publicity.

The meeting then adjourned.

Edward C. Raftery, Chairman

Harry S. Muller, Secretary

Charge to the account of UNITED ARTISTS CORP 729-7th Ave NYC $

CLASS OF SERVICE DESIRED			
DOMESTIC		CABLE	
TELEGRAM		ORDINARY	
DAY LETTER		URGENT RATE	
SERIAL		DEFERRED	
NIGHT LETTER		NIGHT LETTER	

Patrons should check class of service desired; otherwise the message will be transmitted as a telegram or ordinary cablegram.

WESTERN UNION

A. N. WILLIAMS
PRESIDENT

1211

CHECK

ACCOUNTING INFORMATION

TIME FILED

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

FOR VICTORY
BUY
WAR BONDS
TODAY

(NIGHT LETTER) MAY 6,1947

Following Western Union night letter to:

A.M.GRANT, c/o XXXXXXX Weisman & Grant, 295 Madison Ave., New York, N.Y.
H.L.WEISMAN, c/o Weisman & Grant, 295 Madison Ave., New York, N.Y.
FRANKLIN L COLE, " Cole, Hoisington & Company, 120 Broadway, New York, N.Y.
CHAS SCHWARTZ, c/o Schwartz & Frohlich, 1450 Broadway, New York, N.Y.
HERBERT P JACOBY, c/o " " " 1450 Broadway, New York, N.Y.
E.C. MILLS, 630 Fifth Ave,, New York, N.Y.
REX DENNANT c/o Lumley,Dennant & Co., 60 E 42nd St., New York, N.Y.

!!!!!!!!!!!

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION WILL BE HELD AT THE OFFICES OF THE CORPORATION, AT 729 SEVENTH AVENUE, NEW YORK, N.Y. ON TUESDAY, MAY 13,1947 at 2.30 P.M.

HARRY J. MULLER, ASST SECTY

MINUTES OF MEETING OF BOARD OF DIRECTORS
OF UNITED ARTISTS CORPORATION

A meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Tuesday, May 13, 1947 at 2:30 P.M.

There were present:

Herman L. Weisman
E. Claude Mills
Herbert P. Jacoby
Arnold M. Grant
Rex Dennant
Charles Schwartz
Franklin Cole
Edward C. Raftery

constituting a quorum.

There were also present Harry J. Muller, Assistant Secretary and, during part of the meeting, Gradwell L. Sears, Vice President.

Mr. Raftery acted as Chairman and Mr. Muller acted as Secretary.

1. NOTICE OF MEETING

The meeting was called pursuant to telegraphic notice attached to these minutes.

2. LIQUIDATION OF SPANISH SUBSIDIARY

The Chairman asked for a report on the Spanish situation and Mr. Schwartz stated that he received no response to the cable that he sent to Mr. Grinieff. Mr. Grant moved that the proposal before the Board at the last meeting to purchase Pesetas and terminate our offices in Spain be consummated, unless there is a great difference in the rate of exchange now as against the rate submitted at the last meeting. Mr. Schwartz seconded the motion. Mr. Mills stated that he believed that some buyer could be found for our exchanges and requested a few days to find a buyer. The motion was

then amended with the consent of the Seconder to suspend putting it into effect for three or four days to permit Mr. Mills an opportunity to cable to Spain and receive a reply. With this amendment, the motion was passed unanimously.

3. JOHN FORD

The Chairman referred to a letter dated April 28, 1947 from George Bagnall concerning a John Ford proposal. Mr. Schwartz moved that Management be authorized to accept the proposal. Mr. Grant seconded the motion and it was carried.

4. GEORGE PAL

The Chairman referred to a memorandum from George Bagnall dated April 28, 1947 containing a proposed distribution deal with George Pal for TOM THUMB and a second picture, probably RIP VAN WINKLE or some other subject to be approved by the company, which memorandum had been circulated to all directors. Mr. Dennant mentioned the fact that the corporation now has a contract with Harmon-Ising Pictures, Inc. for similar pictures, but the Chairman stated that it was his information that the Harmon-Ising pictures never would be made. Mr. Schwartz moved acceptance of the proposal. Mr. Cole seconded the motion and it was carried.

5. "THIS SIDE OF INNOCENCE"

Mr. Grant referred to the distribution agreement with Story Productions, Inc. for THIS SIDE OF INNOCENCE and stated that Hal Horne would like to be released from this contract and would like to address the meeting toward that end. Mr. Horne was then invited into the meeting and he stated that it is impossible for him to cast the picture with suitable names. The store is

such that the cost would run between $2,800,000 and $3,000,000 without deferments and participations and with that kind of an investment it is necessary to use top stars. He stated that if he could be released from his contract, his first obligation would be to get his investment out without considering a year and a half of work. After Mr. Horne answered several questions, he was then advised that he would be notified of the decision of the Board and he left the meeting.

6. EDDIE BRACKEN

The Chairman referred to the Eddie Bracken proposal contained on the Agenda and stated that nobody in the sales organization or management had any enthusiasm for it. It was agreed that this matter be tabled.

7. TECHNICOLOR SITUATION

The Chairman referred to a telegram from Miss Pickford about the Technicolor situation. He stated that Mr. Bagnall advised him that all Technicolor commitments have been with the producer and not with United Artists Corporation. Mr. Bagnall is going to gather together the facts concerning this matter.

8. REQUESTS FOR CONTRIBUTIONS

The Chairman stated that he had received requests for contributions from various organizations, including Greater New York Fund, Police Athletic League, Salvation Army, New York Foundling Hospital and The Cancer Drive. It was agreed that no contributions would be made by the corporation.

9. JAMES B. CASSIDY AND POLAN BANKS

At this point Gradwell Sears entered the room with a proposed press release about James B. Cassidy and Polan Banks concerning THERE GOES LONA

HENRY. It referred to three pictures to be released through United Artists Corporation and it stated that they had a releasing contract. Mr. Grant stated that there is a proposition being negotiated with Miss Pickford for one picture, namely, THERE GOES LOWA HENRY, but negotiations are not yet complete.

10. "THIS SIDE OF INNOCENCE"

The Chairman referred to Mr. Sears the proposal made by Hal Horne. Mr. Sears stated that he would not let Mr. Horne out of his contract. He said he could not urge this too strongly as he cannot see how Story Productions, Inc. can fail to make a success of this picture.

11. "THE PRIVATE AFFAIRS OF BEL AMI"

The Chairman referred to a proposal from David Loew that we relinquish foreign rights to the picture THE PRIVATE AFFAIRS OF BEL AMI to him so that he could turn them over to Loew's in the hope that they might be able to get cost out, selling it in the foreign field with the six Enterprise pictures. Mr. Grant stated that the Board understands that it is a picture that United Artists Corporation is going to have trouble with and the producer has already issued a story to the press concerning it, inferring that Loew's can get cost out of the picture whereas United Artists Corporation cannot. Mr. Sears stated that he does not believe that BEL AMI will gross $750,000 in the United States. Mr. Sears recommended that the corporation give back the picture because he does not believe it is going to do any more business relatively in the foreign than it will do domestically. He suggested, however, that we get $50,000 for the release. Mr. Grant moved that Management be authorized to give up the picture for $50,000 provided United Artists Corporation is permitted to issue the press story in connection with the transaction. Mr. Weisman seconded the motion and it was carried.

12. CHICAGO FIRST RUN

The Chairman distributed to the directors a memorandum dated May 9, 1947 concerning the building containing the Erlanger Theatre at 127-139 North Clark Street, Chicago. After discussion, it was agreed that if someone could be found to finance this proposition, United Artists Corporation would be very much interested.

13. JERRY GIESLER

Mr. Grant explained that the terms arranged originally with Mr. Giesler were $10,000 Retainer Fee, $15,000 additional, plus reasonable fees, if the case went to trial. Although a check for $5,000 was sent to Mr. Giesler, he now requests an additional $5,000 because his name was used in connection with the Vanguard litigation and that foreclosed the other side from engaging him. Mr. Grant stated that he talked to Mr. Giesler after the litigation was settled and Mr. Giesler stated he would leave the matter of fee up to Mr. Grant. Last week, Mr. Grant talked again to Mr. Giesler who stated he would now leave the matter up to the United Artists Corporation Board. Mr. Schwartz moved that an additional check be sent to Mr. Giesler for $2,500 with a letter to be written by the President. Mr. Grant seconded the motion and it was carried.

14. HERMAN L. WEISMAN

Mr. Grant presented the resignation of Mr. Weisman as a director and moved that it be accepted and that Mr. Vitalis L. Chalif be elected in his place. Mr. Schwartz seconded the motion and expressed the extreme regret of the Board in accepting the resignation of Mr. Weisman. The motion was carried.

15. BANK DEPOSITS

Mr. Schwartz stated that Security-First National Bank has practically no deposit in its United Artists Corporation Account although Security Bank and its associates have very large loans with our producers. A similar situation exists with respect to Bank of America. Mr. Schwartz moved that the accounts of these banks be increased to $250,000 each and, if the cash is not available, Certificates of Indebtedness be sold for this purpose. Mr. Grant seconded the motion and it was carried. The Chairman then suggested that $400,000 of the Certificates be sold and $200,000 be deposited immediately in each bank. This was acceptable to the Board.

The meeting then adjourned.

Edward C. Raftery, Chairman

Harry J. Muller, Secretary

May 13, 1947

To the Board of Directors
of United Artists Corporation

Gentlemen:

I hereby tender my resignation as a director of United Artists Corporation, effective immediately.

Very truly yours,

Herman L. Weisman

Charge to the account of UNITED ARTISTS CORP 729-7th Ave NYC $

CLASS OF SERVICE DESIRED

DOMESTIC	CABLE
TELEGRAM	ORDINARY
DAY LETTER	URGENT RATE
SERIAL	DEFERRED
NIGHT LETTER	NIGHT LETTER

Full rate should check class of service desired; otherwise the message will be transmitted as a telegram or ordinary cablegram.

WESTERN UNION

(31)

A. N. WILLIAMS
PRESIDENT

CHECK

ACCOUNTING INFORMATION

TIME FILED

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

FOR VICTORY
BUY
WAR BONDS
TODAY

DAY LETTER JUNE 9,1947

PLEASE SEND FOLLOWING MESSAGE TO

MR CHAS SCHWARTZ	c/o Schwartz & Frohlich, 1450 Broadway, New York, N.Y.
MR HERBERT JACOBY	" " 1450 Broadway, N.Y.C.
MR E C MILLS	630 Fifth Ave., New York, N.Y.
MR REX DENNANT	c/o Lumley, Dennant & Co., 60 E 42nd St., NY.C.
MR FRANKLIN COLE	c/o Cole,Hoisington & Co., 120 Broadway, N.Y.C.
MR ARNOLD M GRANT,	" MK Weissman & Grant, 295 MMMMMM MADISON AVE., N.Y.C.
Mr. VITALIS CHALIY,	c/o Leon.Neill & Mahoney, 15 E 26th St., N.Y.C.

....

Because of the engagement of Mister Raftery at a meeting in U.S. v. PARAMOUNT, the Regular Board Meeting of United Artists Corporation, originally scheduled for Tuesday, June 10,1947 at 2.30 P.M., has been postponed to Thursday, June 12,1947, at 10.30 A.M., same place.

HARRYJ MULLER, ASST SECTY

MINUTES OF MEETING OF BOARD OF DIRECTORS
OF UNITED ARTISTS CORPORATION

A meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Thursday, June 12, 1947 at 10:30 A.M.

There were present:

E. Claude Mills
Herbert P. Jacoby
Arnold M. Grant
Vitalis L. Chalif
Franklin Cole
Edward C. Raftery

constituting a quorum.

There were also present Gradwell L. Sears and George L. Bagnall, Vice Presidents and Harry J. Muller, Assistant Secretary.

Mr. Raftery acted as Chairman and Mr. Muller acted as Secretary.

1. NOTICE OF MEETING

The meeting was called pursuant to telegraphic notice attached to these minutes.

2. MINUTES OF PREVIOUS MEETING

Mr. Mills moved to dispense with the reading of the previous minutes inasmuch as they were circulated to the directors and stockholders. Mr. Grant seconded the motion and it was carried.

3. PHILIPPINE ISLANDS

The Chairman stated that the corporation had resumed the conduct of its branch in Manila, Philippine Islands but a resolution of the Board of Directors was necessary in order to secure a proper license. Mr. Mills moved,

RESOLVED, that the Board of Directors of United Artists Corporation authorizes the establishment of a Branch Office in the Philippine Islands; and it was further

RESOLVED, that the President, or Vice-President, or any other officer of the United Artists Corporation is hereby authorized and empowered to execute a Power of Attorney to David Gould, its agent in the Philippine Islands, empowering Mr. Gould to accept service of summons and processes in all legal proceedings against United Artists Corporation and of all notices affecting the said United Artists Corporation.

Mr. Jacoby seconded the motion and it was carried.

4. SAM BISCHOFF

The Chairman referred to a memorandum which he sent to the Directors concerning a Foreign Legion picture. He stated that Mr. Sears is enthusiastic about this matter even if we do not get distribution in France, Belgium and Switzerland and French and Belgian possessions. Mr. Jacoby moved that Management be authorized to accept this proposal. Mr. Mills seconded the motion and it was carried.

5. ARTHUR W. KELLY

Mr. Bagnall stated that he received a letter from Arthur W. Kelly asking him to ascertain if United Artists Corporation would permit an extension to June 1948 to go into production on THE HALF CASTE because of a commitment by Barney Glazer and because of the difficulty in securing a female lead. Mr. Kelly also asks approval of Yvonne de Carlo for the female lead. Mr. Grant moved that the extension be granted, subject to the new form of contract, United Artists Corporation to retain all approvals it has in the other contract but specifically approving Yvonne de Carlo for the female lead. Mr. Mills seconded the motion and it was carried.

6. HENRY MORGAN PICTURES

Mr. Bagnall stated that he received a proposition from Stanley E. Kramer of Screen Plays Incorporated asking for a distribution contract to cover two pictures to be made starring Henry Morgan. One of these pictures would be based upon the story BIG TOWN AND A GREAT PLACE TO VISIT by Ring Lardner. The terms would be 27½% for United States and Canada, 30% for England and standard terms for the rest of the world. Mr. Sears stated that he does not recommend this proposition because he considers a picture with Henry Morgan would be too much of a gamble. Mr. Grant moved that the offer be not accepted. Mr. Mills seconded the motion and it was carried.

7. BEN BOGEAUS

Mr. Bagnall stated that Ben Bogeaus, who disposed of his interest in General Service Studios and who has a long term contract with us, is temporarily stymied on two pictures for us, namely, the Ida Lupino picture and LULU BELLE with Dorothy Lamour. He proposes to make a picture which stars Pat O'Brien to cost $750,000. He would like us to consider it as one of the Bogeaus pictures. Ned Marin would be the producer. It would start July 15th. The locale of the picture is the Bowery. Mr. Sears stated that he does not recommend this picture. Mr. Mills moved that the company is not interested in this proposition. Mr. Chalif seconded the motion and it was carried.

8. JOHN FORD

Mr. Bagnall referred to the recent arrangement which was authorized by the Board of Directors on May 13, 1947. This arrangement has not yet been signed. As a matter of fact, it was not reduced to writing because of an objection raised by a representative of John Ford to the firm commitment to purchase the story THE LAST OUTLAW from us for $25,000. The newly

authorized arrangement also provided for 25% terms in the United States, of which 2½% is deferred until production cost is recouped. Mr. Ford is willing to give up the 2½% deferment provided he is relieved of the obligation to purchase THE LAST OUTLAW. After considerable discussion in which George Bagnall asked if the Board would be opposed to his buying THE LAST OUTLAW for $25,000, Mr. Grant moved that authority be given to Mr. Bagnall to close the proposed arrangement on the basis of 25% for the United States without deferment, the United Artists Corporation to own THE LAST OUTLAW and to have the right to do whatever it wishes with this story from this day forward. Mr. Jacoby seconded the motion and it was carried.

9. DISTRIBUTION OFFER FORM

Mr. Grant moved that General Counsel be instructed to prepare and have printed a short form of offer of agreement addressed to United Artists Corporation, incorporating therein very briefly, the terms of producer's offers, reciting the name of the picture, the date, any special provisions and the terms which should have in them a recitation that, upon acceptance by the Board of Directors of United Artists Corporation, same shall be incorporated into the standard form of agreement, but the same shall be a binding agreement. Mr. Mills seconded the motion and it was carried.

10. LOUIS LEWIS

The Chairman stated that Louis Lewis, Secretary of United Artists Corporation, Ltd., England, has resigned and has gone to work for Vanguard Films, Inc. Mr. Smith is temporarily acting in the place of Mr. Lewis but it will be necessary for a successor to be appointed.

11. DISTRIBUTION CONTRACTS WITH MARY PICKFORD AND CHARLES CHAPLIN

Mr. Grant moved:

RESOLVED, that the contracts with Pickford and Chaplin be modified to provide that United Artists Corporation will advance the cost of all positive copies of the film and of all paid advertising or exploitation and recoup same from the producer's share of first film revenue received and that said contract be further modified so as to provide that nothing contained in the paragraph entitled "Release Sequence" on Page 8 of the contract shall modify the producer's rights contained in the paragraph bearing the heading "General Release Date" on Page 8,

FURTHER RESOLVED, that the minutes of the previous meeting in regard to the Pickford contract referring to Triangle Productions and Comet Productions be amended so as to properly reflect the resolution adopted, which is to the following effect: "that nothing in connection with the releasing agreement with The Pickford Corporation shall modify, vary, or alter any contract currently existing with Triangle or Comet and nothing in any of said agreements shall prevent The Pickford Corporation from assigning any of its rights to Triangle or Comet if such companies come within the requirement of the contract with The Pickford Corporation.

Mr. Chalif seconded the motion and it was carried.

12. THE GREAT DICTATOR

The following was moved by Mr. Jacoby and seconded by Mr. Mills:

WHEREAS, Charles Chaplin has asserted the claim that he was and is entitled to have his motion picture photoplay "THE GREAT DICTATOR" distributed by this corporation on so-called sliding scale terms, and by reason thereof contends that he was and is entitled to rebates from this corporation with respect to said motion picture photoplay, and

WHEREAS, General Counsel for this corporation has recommended that said claim be rejected, and by reason thereof no provisions have been made for payment of said claim, and a controversy presently exists between this corporation and Mr. Chaplin with respect thereto, and

WHEREAS, this corporation has tendered to Mr. Chaplin certain sums which would be payable to him under the so-called "Silverstone Plan" in the event that he were not entitled to sliding scale distribution on "THE GREAT DICTATOR" which tender has been refused by Mr. Chaplin, and

WHEREAS, it would not be in the best interest of this corporation for such claim to be made the subject of litigation at the present time, and

WHEREAS, in order to induce Mr. Chaplin to refrain from instituting such suit, this corporation, without acknowledging that there is any merit to said claim, is willing to waive any defense thereto or to the payment of moneys due Mr. Chaplin under the "Silverstone Plan" that it now may have, or which may hereafter accrue to it, based upon the Statute of Limitations,

NOW, THEREFORE, in consideration of Mr. Chaplin's present forbearance to institute suit against this corporation, it is

RESOLVED, that this corporation hereby agrees to and does, waive any defense to the aforementioned claim for sliding scale terms asserted by Mr. Chaplin, or to the payment to Mr. Chaplin of moneys due him under the "Silverstone Plan" (in the event that it should be determined that he is not entitled to such sliding scale terms) that it now may have, or which may hereafter accrue to it, based upon any Statute of Limitations, such waiver to continue for a period of 3 years from the date hereof, and it is further

RESOLVED, that any officer of this corporation be, and he hereby is, authorized to notify Mr. Chaplin, or his duly authorized representatives of the foregoing, it being understood, however, that these resolutions do not constitute any acknowledgment on the part of this corporation that there is any merit to Mr. Chaplin's claim for sliding scale terms.

Upon motion by Mr. Grant, this matter was tabled. Messrs. Jacoby and Mills asked to be recorded as not voting.

At this point Mr. Cole asked to be excused and left the meeting.

13. <u>ENGLISH SITUATION AND PERSONNEL</u>

Mr. Sears stated that because of the Rank theatre circuit situation in England, 14 pictures have accumulated. Mr. Sears stated that he believes that someone must go to England immediately to try to set up a fourth circuit. In that connection, he believes some changes of man-power are necessary. He wants to get rid of Mr. Coplan and put another man in charge and also replace Mr. Lewis. He also wishes to make a change in the direction of the Foreign Department. The Coplan contract expires February 6, 1949 and is at the rate of £300 per week. The Gould contract expires July 16, 1949 and is at the rate of $750 per week. Mr. Sears further stated

that he was investigating our outside deals particularly. Several directors took the position that Mr. Sears should immediately make arrangements to go to England to take whatever action is necessary, although Board approval is needed to change an employment contract. However, Mr. Coplan could be suspended without Board action.

14. FINANCIAL REPORTS

There were then distributed to the directors present the following reports:

Estimated World-Wide Profit and Loss for the 18 weeks ending May 4, 1946.

Memorandum in connection with attached Estimated World-Wide Profit and Loss for the 18 weeks ending May 3, 1947.

Estimated World-Wide Profit and Loss for the 18 weeks ending May 3, 1947.

Condensed Operating Statement (Foreign only) for the 18 weeks ending May 3, 1947.

Foreign Cabled Report dated May 3, 1947.

The meeting then adjourned.

Edward C. Raftery, Chairman

Harry J. Muller, Secretary

Charge to the account of UNITED ARTISTS CORP 729-7th Ave NYC $

DOMESTIC SERVICE | CABLE
TELEGRAM | ORDINARY
DAY LETTER | URGENT RATE
SERIAL | DEFERRED
NIGHT LETTER | NIGHT LETTER

Unless another class of service is indicated, otherwise the message will be transmitted as a telegram or cable communication.

WESTERN UNION

1911

A. N. WILLIAMS
PRESIDENT

CHECK

ACCOUNTING INFORMATION

TIME FILED

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

JUNE 13,1947

FOLLOWING STRAIGHT WESTERN UNION MESSAGE TO BE SENT TO:

E.C.MILLS,	630 Fifth Ave., New York, N.Y.
CHAS SCHWARTZ	c/o Schwartz & Frohlich, 1450 Broadway, New York, N.Y.
HERBERT P JACOBY	" " " 1450 Broadway, New York, N.Y.
REX BENNANT,	" Lumley & Dennant, 60 E 42nd St., New York, N.Y.
FRANKLIN GOLE	" Cole, Hoisington & Col, 120 Broadway, New York, N.Y.
ARNOLD M GRANT	" Weisman & Grant, 295 Madison Ave., New York, N.Y.
VITALIS L CHALIF,	" Loom, Neill & Mahoney, 15 E 26th St., New York, N.Y.

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A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION WILL BE HELD AT THE OFFICES OF THE CORPORATION AT 729 SEVENTH AVENUE, NEW YORK, ON MONDAY, JUNE 16,1947, AT 2.30 P.M., FOR THE PURPOSE OF DISCUSSING THE ENTIRE BRITISH SITUATION AND PARTICULARLY THE NEW ARRANGEMENTS ANNOUNCED IN THE PRESS BETWEEN THE RANK INTERESTS AND THE AMERICAN AFFILIATED THEATRES, AND FOR THE PURPOSE OF AUTHORISING MANAGEMENT AND COUNSEL TO TAKE SUCH STEPS AS ARE NECESSARY TO PROTECT THE CORPORATION.

EDWARD C RAFTERY

CC MR H J MULLER

MINUTES OF MEETING OF BOARD OF DIRECTORS
OF UNITED ARTISTS CORPORATION

A special meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Thursday, June 19, 1947 at 10:30 A.M.

There were present:

Herbert P. Jacoby
E. Claude Mills
Arnold M. Grant
Vitalis L. Chalif
Charles Schwartz
Edward C. Raftery

constituting a quorum.

There were also present Miss Mary Pickford, Miss Aurelia Cowan, George Bagnall, Vice President, Arthur W. Kelly and Harry J. Muller, Assistant Secretary.

Mr. Raftery acted as Chairman and Mr. Muller acted as Secretary.

1. NOTICE OF MEETING

The meeting was called for June 16, 1947 in accordance with telegraphic notice attached hereto and, because of lack of quorum, was adjourned to June 18, 1947 at 2:30 P.M. and, because of lack of quorum, was further adjourned to today.

2. MINUTES OF PREVIOUS MEETING

Mr. Mills moved that, inasmuch as the previous minutes were not yet completed, the reading of them be dispensed with. Mr. Jacoby seconded the motion and it was carried.

3. REX DENNANT

Mr. Jacoby presented the resignation of Rex Dennant reading as follows:

"June 16, 1947

Arthur Kelly
522 Fifth Avenue
New York

I hereby resign as a director of United Artists Corporation such resignation to take effect immediately.

Rex Dennant"

Mr. Jacoby moved that Mr. Dennant's resignation be accepted with regret. Mr. Schwartz seconded the motion and it was carried.

4. ARTHUR W. KELLY

Mr. Jacoby nominated Arthur W. Kelly as a director to take the place of Rex Dennant. Mr. Mills seconded the nomination. There being no further nominations, Mr. Jacoby moved that the polls be closed. Mr. Mills seconded the motion and it was carried. There being no further nominations, the Chairman directed the Secretary to cast a ballot unanimously electing Arthur W. Kelly as director in place of Rex Dennant. Mr. Kelly, who was present, then took his place as a director at the Board.

5. STORY PRODUCTIONS, INC.

Mr. Grant stated that he received a letter from the lawyers of Armand Deutsch, which he then read to the meeting. It contained a request that the distribution agreement with Story Productions, Inc. covering THIS SIDE OF INNOCENCE be modified to release the corporation from the requirement that Hal Horne must be the producer of this picture. Mr. Grant explained that Hal Horne sold his interest in this picture to Armand Deutsch. Mr. Schwartz moved that the contract be so modified, but in all other respects the contract remain in full force and effect. Mr. Grant seconded the motion and it was carried.

6. PRODUCTION REPORT

At this point Mr. Bagnall continued his report about production matters which he discussed before the start of the meeting. He stated that the corporation had plenty of product to take care of its needs for the rest of 1947 but that producers were running into difficulties in financing pictures scheduled for completion after that time, that banks were anxious to know the financial condition of the company, what its Management would be and the position with respect to England before making further commitments to United Artists producers.

7. HENRY MORGAN PICTURES

Miss Pickford stated that she advocated the reopening and reconsideration of the Ring Lardner story starring Henry Morgan. Mr. Bagnall stated that he recommends it because it is a financed picture. After considerable discussion, Mr. Mills moved that the Board reconsider the proposition from Stanley E. Kramer of Screen Plays, Inc. which it acted upon at the last meeting and authorize Management to enter into a distribution contract with Screen Plays, Inc. for a picture to be made based upon the Ring Lardner story BIG TOWN starring Henry Morgan, at terms of 27½% for United States and Canada, 30% for England and up to 50% for the rest of the world, on condition that United Artists Corporation receive an option on the next two pictures. Mr. Jacoby seconded the motion and it was carried.

8. EDDIE GOLDEN

Mr. Bagnall stated that Eddie Golden is having difficulty in getting a cast for one of his pictures and he would like to substitute MEXICAN HAYRIDE with Abbott and Costello. Mr. Schwartz moved that Management

be authorized to substitute for EDDIE AND THE ARCHANGEL MIKE in the existing Eddie Golden contract MEXICAN HAYRIDE with Abbott and Costello provided this resolution is reduced to contractual form in thirty days. Mr. Mills seconded the motion and it was carried.

9. JOHN FORD

Mr. Bagnall stated that Merian Cooper and John Ford would like to make a contract with us for distribution of certain pictures to be made by Merian Cooper on which John Ford will be co-producer. The pictures would cost between $750,000 and $800,000 each but the formula connected with them is a secret. Mr. Bagnall cannot tell who the cast is but he believes that there will be at least one good picture per year. Mr. Grant suggested that when the data is reduced to a firm offer it be submitted to the Board.

10. ENTERPRISE PRODUCTIONS, INC.

The Chairman stated that Enterprise approached Mr. Sears on the coast to see if we would distribute a completed picture produced by Harry Sherman either world-wide or to be added to the existing distribution contract which covers the domestic territory only. The picture is called NEW MEXICO and it stars Joel McCrea. The Chairman stated that he did not believe it should be added to the existing contract because of the advertising arrangement in that contract. He stated further that Mr. Sears has not seen the picture but Mr. Sears is against a Harry Sherman picture. Mr. Schwartz moved that Management be instructed to see the picture and if, in the opinion of Management, the picture should be released by United Artists Corporation, an offer signed by Enterprise be submitted on the basis of standard terms. Mr. Mills seconded the motion and it was carried.

11. MONSIEUR VERDOUX

Mr. Kelly stated that Mr. Chaplin has engaged Mr. Birdwell in connection with the exploitation of MONSIEUR VERDOUX to change the ads and publicity and to try to create a sensational atmosphere about the picture and that the release has been postponed to the first of October.

The meeting then adjourned.

Edward C. Raftery, Chairman

Harry J. Muller, Secretary

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

AUG 1,1947

STRAIGHT WIRE TO FOLLOWING:

E C MILLS,	630 Fifth Ave., N.Y.C.
FRANKLIN COLE	c/o Franklin Cole & Co., 120 Broadway, N.Y.C.
A.M.GRANT	" Weisman & Grant, 295 Madison Ave., N.Y.C
CHAS SCHWARTZ	" Schwartz & Frohlich, 1450 Broadway, N.Y.C.
HERBERT P JACOBY	" " 1450 Broadway, N.Y.C.
A W KELLY	522 Fifth Ave., N.Y.C.
VITALIS L CHALIF, c/o Leon, Weill & Mahoney,	15 E 26th St., N.Y.C.

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SUPPLEMENTING NOTICE OF SPECIAL MEETING OF DIRECTORS OF UNITED ARTISTS CORPORATION NOW SCHEDULED FOR TUESDAY, AUGUST 5,1947 AT 11 A.M., at 729 SEVENTH AVENUE, NEW YORK CITY. IN ADDITION TO THE MATTERS SCHEDULED FOR THIS SPECIAL MEETING THERE WILL BE CONSIDERED THE RESIGNATION OF THE PRESIDENT, THE ELECTION OF A NEW PRESIDENT, THE ELECTION OF AN EXECUTIVE VICE PRESIDENT, THE RESIGNATION OF CERTAIN DIRECTORS AND ELECTION OF OTHER DIRECTORS IN THEIR PLACE AND SUCH OTHER MATTERS AS MAY COME BEFORE THE MEETING

HARRY J MULLER, ASST SECTY

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

JULY 29 1947

STRAIGHT [illegible] MESSAGE TO FOLLOWING:

E G MILLS	630 Fifth Ave., New York, N.Y.
CHAS SCHWARTZ	c/o Schwartz & Frohlich, 1450 Broadway, N.Y.C.
HERBERT JACOBY	" " 1450 Broadway, N.Y.C.
ARNOLD M GRANT	Weisman & Grant, 295 Madison Ave., N.Y.C.
ARTHUR W KELLY	522 Fifth Ave., New York, N.Y.
FRANKLIN GOLE	Franklin Gole & Co., 120 Broadway, N.Y.C.
VITALIS L CHALIF	Leon, Weill & Mahoney, 15 East 26th St., N.Y.C.

BECAUSE OF DEVELOPMENTS IN LOS ANGELES, SPECIAL MEETING OF BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION WHICH WAS SCHEDULED FOR WEDNESDAY, JULY 30,1947, IS HEREBY POSTPONED UNTIL NEXT TUESDAY, AUGUST 5,1947, AT THE SAME TIME AND PLACE AND FOR THE SAME PURPOSES.

EDWARD C RAFTERY

cc Mr H J Muller

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

JULY 23,1947

PLEASE SEND WESTERN UNION DAY LETTER TO FOLLOWING:

E.C.MILLS, 630 Fofth Ave., New York, N.Y.
CHAS SCHWARTZ c/o Schwartz & Frohlich, 1450 Broadway, N.Y.C.
HERBERT P JACOBY " " 1450 Broadway, N.Y.C.
FRANKLIN COLE, " FRANKLIN COLE & CO., 120 Broadway, NY.C.
ARNOLD M GRANT " WEISMAN & GRANT 295 ~~XXX~~ Madison Ave., N.Y.C.
VITALIS L CHALIF " LEON,WEILL & MAHONEY, 15 E 26th St., N.Y.C.
ARTHUS W KELLY 522 Fifth Ave., N.Y.C.

SPECIAL MEETING OF BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION SCHEDULED FOR THURSDAY, JULY 24,1947, WILL BE ADJOURNED TO WEDNESDAY, JULY 30,1947, (INSTEAD OF TUESDAY, JULY 29,1947) AT 11 A.M., AT THE SAME PLACE AND FOR THE SAME PURPOSES.

EDWARD C RAFFERY

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

JULY 22,1947

PLEASE SEND WESTERN UNION NIGHT LETTER TO FOLLOWING ADDRESSES:

:::::::

W C MILLS	630 Fifth Ave.. N.Y.C.
CHAS SCHWARTZ	c/o Schwartz & Frohlich, 1450 Broadway,N.Y.C.
HERBERT P JACOBY,	" " 1450 Broadway, N.Y.C.
FRANKLIN COLE	c/o Cole,Hoisington & Co., 120 Broadway, N.Y.C.
ARNOLD M GRANT	" Weisman & Grant, 295 Madison Ave., N.Y.C.
VITALIS L CHALIF,	" Leon, Weill & Mahoney, 15 E 26th St., N.Y.C.
ARTHUR W KELLY	522 Fifth Ave., New York, N.Y.

.....

UNABLE TO GET QUORUM FOR THURSDAY MEETING (JULY 24,1947) AS NEITHER MESSRS. SCHWARTZ, GRANT OR KELLY WILL BE PRESENT. CONSEQUENTLY SPECIAL MEETING OF BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION WILL BE ADJOURNED TO TUESDAY, JULY 29, 1947, AT 11 A.M., AT THE SAME PLACE, AND FOR THE SAME PURPOSES.

EDWARD C RAFFERTY

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

JULY 21,1947

FOLLOWING STRAIGHT WIRE TO BE SENT TO

E.[illegible],MILLS	630 Fifth Ave., New York, N.Y.
CHAS. SCHWARTZ,	c/o Schwartz & Frohlich, 1450 Broadway, N.Y.C.
HERBERT JACOBY	" " 1450 Broadway, N.Y.C.
FRANKLIN COLE	" Cole,Hoisington & Co., 120 Broadway, N.Y.C.
ARNOLD M GRANT,	" Weisman & Grant, 295 MADISON AVE., N.Y.C.
ARTHUR W KELLY	522 Fifth Ave., NEW YORK, N.Y.
VITALIS L.CHALIF,	c/o Leon, Weill & Mahoney, 15 E 26th St., N.Y.C.
CHAS. SCHWARTZ,	" GEORGE & BLISS,LANDING, LAKE PLACID, N.Y.
ARNOLD M GRANT	" FRIEDENTAL & GRANT, 9441 Wilshire Blvd,Beverly Hills, Calif
ARTHUR W KELLY,	730 North Rodeo Drive, Beverly Hills, Calif

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DUE TO INABILITY TO GET QUORUM THE SPECIAL MEETING OF BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION ORIGINALLY CALLED FOR JULY 17,1947 AND ADJOURNED TO TUESDAY, JULY 22,1947, IS AGAIN ADJOURNED TO THURSDAY, JULY 24,1947 AT 11 A.M. AT THE SAME PLACE TO DISCUSS THE SAME SUBJECT MATTERS, AND, IN ADDITION, MR. GRAD SEARS IS BACK FROM LONDON ESPECIALLY FOR THIS MEETING. URGE YOU TO ATTEND NOT ONLY TO HAVE QUORUM PRESENT BUT TO HAVE BENEFIT OF YOUR JUDGMENT REGARDING MATTERS OF VITAL IMPORTANCE TO CORPORATION.

EDWARD C. RAFTERY

CC MR H J MULLER

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

JULY 15,1947.

PLEASE SEND WESTERN UNION DAY LETTER TO THE FOLLOWING

::::::::

E C MILLS	630 Fifth Ave., NYC
CHAS SCHWARTZ	c/o Schwartz & Frohlich, 1450 Broadway, N.Y.C.
HERBERT P JACOBY	" " " " 1450 Broadway, N Y C.
ARTHUR W KELLY	522 Fifth Ave., New York, N.Y.
FRANKLIN GOLD	c/o Gold,Hoisington & Co., 120 Broadway, N.Y.C.
ARNOLD M GRANT	c/o Weimann & Grant, 295 Madison Ave., New York, N.Y.
VITALIS L CHALIF	" Leon, Weill,& Mahoney, 15 E 26th St., New York,N.Y.

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THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION, ORIGINALLY SCHEDULED FOR THURSDAY JULY 17,1947, HAS BEEN POSTPONED UNTIL NEXT TUESDAY, JULY 22,1947, AT 11 A.M., BECAUSE OF LACK OF A QUORUM.

EDWARD C RAFTERY

CC MR E J MULLER

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

JULY 14,1947

PLEASE SEND WESTERN UNION DAY LETTER TO FOLLOWING

:::::::::::::::

L.C.MILLS,	630 Fifth Ave., New York, N.Y.
CHAS SCHWARTZ	c/o Schwartz & Frohlich, 1450 Broadway, N.Y.C.
HERBERT P JACOBY	" " 1450 Broadway, N.Y.C.
ARTHUR W KELLY,	522 Fifth Ave., New York, N.Y.
FRANKLIN COLE,	c/o Cole,Hoisington & Co., 120 Broadway, N.Y.C.
ARNOLD M GRANT	c/o Weissman & Grant, 295 Madison Ave., New York, N.Y.
VITALIS L CHALIF,	c/o Leon, Weill & Mahoney, 15 E 26th St., N.Y.C.

::::::::

A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION WILL BE HELD AT THE OFFICES OF THE CORPORATION AT 729 SEVENTH AVE., NEW YORK,N.Y. ON THURSDAY, JULY 17,1947, AT 11 A.M.TO CONSIDER

(1) PROPOSED DEAL WITH W.R.FRANK PRODUCTIONS, SUBMITTED BY GEORGE L DAGNALL

(2) CONTENTS OF MR SEARS' CABLEGRAM

3) QUESTION REGARDING MANAGEMENT

(4) SUCH OTHER AND FURTHER BUSINESS AS MAY COME BEFORE THE MEETING.

EDWARD C RAFFERY

CC MR H J MULLER

MINUTES OF MEETING OF BOARD OF DIRECTORS
OF UNITED ARTISTS CORPORATION

A special meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Tuesday, August 5, 1947 at 11:00 A.M.

There were present:

Herbert P. Jacoby
E. Claude Mills
Vitalis L. Chalif
Arnold M. Grant
Charles Schwartz
Arthur W. Kelly
Edward C. Raftery

constituting a quorum.

There were also present Gradwell L. Sears, Vice President and Harry J. Muller, Assistant Secretary.

Mr. Raftery acted as Chairman at the opening of the meeting and Mr. Muller acted as Secretary.

1. NOTICE OF MEETING

The meeting was called pursuant to telegraphic notices attached to these minutes.

2. EDWARD C. RAFTERY

The Chairman handed to the Secretary his resignation as President of the United Artists Corporation, reading as follows:

"August 5, 1947

To the
Board of Directors of
United Artists Corporation,
729 Seventh Avenue,
New York, N.Y.

Dear Sirs:

I hereby resign as President of United Artists Corporation, to be effective upon the election of a successor.

Very truly yours,

Edward C. Raftery (Signed)
Edward C. Raftery

The Chairman also stated that he was President of some of the subsidiary companies and Vice President of others and as soon as the minutes are prepared he will sign papers resigning from these various subsidiaries. Mr. Schwartz moved the acceptance with regret of Mr. Raftery's resignation as President of United Artists Corporation and as an officer of any and all other corporations affiliated with United Artists Corporation. Mr. Mills seconded the motion. Mr. Schwartz stated that this Board wishes to express its deep appreciation for the very valuable services rendered by Mr. Raftery to the various corporations and the acceptance of the resignation with regret. The motion was carried unanimously. Mr. Raftery was requested to remain temporarily as Chairman of the meeting.

3. GRADWELL L. SEARS

Mr. Grant nominated Gradwell L. Sears as a Director. Mr. Jacoby seconded the motion. There being no other nominations, Mr. Jacoby moved that the nominations be closed. Mr. Mills seconded the motion and it was carried and the Chair directed the Secretary to cast a ballot unanimously electing Mr. Sears as Director of United Artists Corporation. Mr. Sears, who was present, then took his place as a Director at the Board.

Mr. Grant moved the election of Gradwell L. Sears as President to serve until the Annual Meeting of Directors in 1948, with the understanding that his election should not in any way modify his employment contract. Mr. Schwartz seconded the motion. Mr. Jacoby moved that the polls be closed, there being no other nominations. Mr. Mills seconded the motion and the Secretary was directed to cast a ballot unanimously electing Mr. Sears to the office of President. Mr. Raftery then relinquished the Chair to the new President.

4. O'BRIEN, DRISCOLL, RAFTERY and LAWLER

In view of the discontinuance of Mr. Raftery as President of the corporation, Mr. Schwartz moved that the compensation payable to O'Brien,

Driscoll, Raftery and Lawler be reduced by an amount equal to $1,000. per week and that said firm shall continue on as counsel for the company for a minimum period of six months at the retainer now enjoyed by them less $1,000. per week. Mr. Kelly seconded the motion and it was carried unanimously.

5. ARTHUR W. KELLY

Mr. Schwartz moved that Arthur W. Kelly be employed as an executive of the company as Executive Vice President for a period of three years at the former salary and conditions that prevailed in his previous contract. The Executive Vice President shall have such powers and perform such duties as usually pertain to such office or as are properly required of him by the Board of Directors. In the absence or disability of the President, the Executive Vice President shall perform the duties and exercise the powers of the President. During such absence, any action taken by the Executive Vice President in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President at the time that such action was taken. In addition thereto, it is hereby specifically provided that such Executive Vice President, Mr. Kelly, shall be in complete charge of the foreign affairs of the corporation and shall have the right to hire and fire in connection therewith, with the same limitations as contained in the President's domestic distribution employment agreement and further resolved that the foregoing be embodied in a formal written contract to be entered into between the company and Mr. Kelly to be prepared by counsel for the company. The foregoing employment shall be effective as of this date. Mr. Grant seconded the motion and it was carried unanimously.

Mr. Kelly then stated that he has been engaged in various businesses before this office was presented to him and he would like to have the Secretary make a note of the things in which he is interested. He has an interest in a

distribution contract with United Artists Corporation for "HALF CASTE" and "HYAN GIRL". He has an interest with Edward Small in "CAGLIOSTRO" a picture to be made in Italy and also with Edward Small in "CLEMENTINA" contemplated to be made in Italy and a very small interest in whatever pictures Edward Small may produce in Italy and France, including "JULIUS CAESAR". He has an interest in an Italian picture called "FURIA". He owns a film called "OLYMPICS OF 1946". Mr. Kelly stated that he might get rid of all these interests and he might not. He also has a settlement agreement with J. Arthur Rank which does not expire until December 31, 1948 but he does not work for Mr. Rank or any of his affiliated companies in any capacity. Mr. Grant moved that, in view of these disclosures, Mr. Kelly's contract be worded so that he be permitted to give such time as may be necessary to his outside motion picture interests provided that they do not interfere with the carrying out of his duties. Mr. Schwartz seconded the motion and it was carried.

6. STORY PRODUCTIONS, ETC.

Mr. Grant stated that Armand Deutsch has flown in for the purpose of this meeting. He has $500,000. invested in the story "THIS SIDE OF INNOCENCE" and no chance of casting it. Mr. Deutsch has received an offer whereby he could sell his story outright to Metro and recoup a substantial part of his investment. The Chairman stated that in his opinion it was impossible to make a commercial failure out of "THIS SIDE OF INNOCENCE" because the book had such a wide sale and if this company is to give up its distribution right, there must be a consideration. Mr. Kelly stated he agreed with the Chairman. Mr. Schwartz suggested that the amount should be not less than $100,000. Mr. Grant suggested that a condition of the release should be that Mr. Deutsch sells the story. It was suggested that a committee consisting of the President and the Executive Vice President negotiate with Mr. Deutsch and report back to the Board. At this point Mr. Deutsch was invited to the meeting. He explained his

problem and the fact that he has a Metro offer under which he would lose at least $100,000. Messrs. Sears and Kelly agreed to meet with him to discuss the matter.

7. DIVIDENDS

Mr. Grant moved that there be declared by this Board of Directors a dividend in the sum of $140,000. payable at such time as shall be designated jointly by the Stockholders within a month from today and be it further resolved that, in the event that either stockholder shall within thirty days from today express disapproval of this dividend either orally or in writing, this resolution shall have no effect. Mr. Schwartz seconded the resolution with the condition attached that a certificate be obtained from the Treasurer to the effect that there is an earned surplus on a consolidated basis sufficient to pay out this dividend. The motion was carried unanimously.

8. PRICE, WATERHOUSE BILL

Mr. Raftery presented a bill from Price, Waterhouse & Co. in the amount of $13,072.51 covering services rendered in the United States for the year ending June 30, 1947. Mr. Schwartz moved that this bill be paid. Mr. Kelly seconded the motion and it was carried.

9. THE PICKFORD CORPORATION

Mr. Grant delivered to the corporation two signed copies of The Pickford Corporation distribution contract dated March 1, 1947. He also stated that a request was received from Miss Pickford that she be accorded the same benefits on prints and advertising as provided in the Stromberg contract.

10. FINANCING

Mr. Kelly stated that it was the consensus of opinion of the Stockholders that if the corporation can negotiate a loan to be used as secondary

money (which is now frozen in California), it will give to this company an impetus which is now needed because of the scarcity of pictures for release after December 1947. Mr. Kelly has talked to four banks about a plan to raise a revolving fund of $5,000,000. to be split among these banks and they have looked with favor upon the proposition. The banks are, Security-First National Bank of Los Angeles, Bankers Trust Company, Guaranty Trust Company and Bank of America, National Trust and Savings Association. Mr. Grant moved that authority be given to Management to set up this revolving fund. Mr. Schwartz seconded the motion and it was carried.

11. W. R. FRANK PRODUCTIONS

The Chairman referred to the distribution proposal from W. R. Frank Productions, which was circulated to all directors. This matter was tabled.

The meeting adjourned to Wednesday, August 6, 1947 at 2:30 P.M.

Cradwell L. Sears, Chairman

Harry J. Muller, Secretary

MINUTES OF MEETING OF BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION

An adjourned meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Wednesday, August 6, 1947 at 2:30 P.M.

There were present,

Herbert P. Jacoby
E. Claude Mills
Vitalis L. Chalif
Charles Schwartz
Arthur W. Kelly
Edward C. Raftery
Gradwell L. Sears

constituting a quorum.

There were also present George L. Bagnall, Vice President and Harry J. Muller, Assistant Secretary.

Mr. Sears acted as Chairman and Mr. Muller acted as Secretary.

1. CONTACTS WITH TRADE PRESS

The Chairman advised about a meeting between Messrs. Kelly, Bagnall and himself and the Trade Press.

2. UNITED ARTISTS PRODUCTIONS, INC.

Mr. Raftery suggested that United Artists Productions, Inc. be merged with United Artists Corporation as at June 30, 1947. Mr.Schwartz moved that subject to the approval of Price, Waterhouse & Co. and Tax Counsel, our subsidiary, United Artists Productions, Inc. be merged into the parent company. Mr. Jacoby seconded the motion and it was carried unanimously.

3. FORTHCOMING PRODUCTION

Mr. Bagnall explained the status of our relationship with each producer concerning forthcoming production.

4. HUNT STROMBERG

In the course of Mr. Bagnall's remarks, he stated that he believed that the $250,000. we have invested in Stromberg is gone as well as any profits that have accrued thereon.

5. BEN BOGEAUS

Mr. Bagnall also referred to a proposal whereby Ben Bogeaus would be willing to sell us the pictures CHRISTMAS EVE and A MIRACLE CAN HAPPEN at cost plus $100,000. and explained the problem that Mr. Bogeaus is having with LULUBELLE.

After recommendations by Messrs. Sears, Kelly and Bagnall, Mr. Schwartz moved, whereas Ben Bogeaus appears to be in some financial difficulty at the present time and it is the desire of the company to assist him, Management is authorized to negotiate and consummate a transaction with Mr. Bogeaus whereby on delivery of the two pictures CHRISTMAS EVE and A MIRACLE CAN HAPPEN the United Artists Corporation will relieve him of any obligation he might have to deliver LULUBELLE to us but he must deliver another pictures at the termination of the contract in place thereof or in some extension of the contract to be fixed by Management. Mr. Jacoby seconded the motion and it was carried unanimously.

6. ARGOSY PICTURES CORPORATION

Mr. Bagnall also stated that the Argosy picture WAR PARTY based upon the story entitled MASSACRE goes to RKO for distribution, but we still are entitled to a picture from Argosy Pictures Corporation. In connection with the latter, the Chairman read a letter from Mr. Bagnall in which he stated that he extended the Argosy contract from January 1, 1948 to January 1, 1949 and requested ratification of his action. Mr. Mills moved to ratify the extension of the Argosy Pictures Corporation contract. Mr. Schwartz seconded

the motion and it was carried unanimously.

Mr. Bagnall also referred to a proposal from John Ford and Merian Cooper for four technicolor action pictures to be made in England provided we finance $150,000 on each. They wanted to freeze the contract for an unlimited period. No action was taken on this matter.

7. GEORGE L. BAGNALL

There was a discussion concerning the employment status of Mr. Bagnall and the President and Executive Vice President were requested to discuss this matter with Mr. Bagnall.

8. ARGENTINE MOTION PICTURES

Mr. Kelly stated that Mr. Sears requested our Foreign Department to get Argentine pictures for the Argentine territory. Our Foreign Department has now submitted a proposal from Manuel Pena Rodriquez for five Argentine features (one already completed) for distribution in Latin America to be delivered between now and December 1948 at a minimum cost of 300,000 Argentine Pesos each. The distribution fee in the Argentine territory is 27½%, the Producer bearing print cost which we advance. In all other Latin American territories the distribution fee is 50%, the producer bearing print cost which we advance, we to have the option to sell or otherwise dispose of any pictures in any territories outside of Latin America within six months from the date of delivery of the picture. On Outright Sales, we are to receive 25% of the royalty and for distribution outside of Latin America, we are to receive 50%. There is no financing required and Messrs. Sears and Kelly recommend acceptance. Mr. Schwartz moved that Management be authorized to accept this proposal. Mr. Chalif seconded the motion and it was carried.

9. LOCAL PICTURES

Mr. Kelly stated that in past years he had the right to take on local pictures if there was no financing involved provided we received at least 25% for distribution. Messrs. Raftery and Schwartz stated that resolutions are still in full force and effect granting him such authority.

10. HENRY MORGAN PICTURE

Mr. Bagnall stated that the producer will not sign the proposed distribution contract for the Henry Morgan picture as it is written. He wishes certain changes in the language and he is also desirous of having prints and advertising deducted from the gross and, if we do not grant such a concession, Mr. Bagnall believes that this picture will be delivered as an Enterprise picture. Messrs. Mills and Schwartz suggested that perhaps there should be some elasticity in the preparation of distribution contracts without changing the terms.

11. "LONG VOYAGE HOME" and "STAGECOACH"

Mr. Bagnall stated that John Ford wants to buy LONG VOYAGE HOME and STAGECOACH. He was advised that we could sell these pictures subject to the Grinieff transaction.

12. "THE GREAT DICTATOR"

Mr. Jacoby referred to the resolution he submitted at the June 12th meeting waiving the statute of limitations in connection with the claim of Mr. Chaplin on THE GREAT DICTATOR. This matter was tabled with the understanding that it would be placed on the agenda for the next regular meeting.

13. CHARLES CHAPLIN

Mr. Sears inquired about the distribution contract covering MONSIEUR VERDOUX and was advised that Mr. Kelly telegraphed Mr. Chaplin after yesterday's meeting requesting immediate disposition of the distribution contract.

The meeting then adjourned.

Gradwell L. Sears, Chairman

Harry J. Muller, Secretary

TELEGRAM		ORDINARY	
DAY LETTER		URGENT RATE	
SERIAL		DEFERRED	
NIGHT LETTER		NIGHT LETTER	

Patrons should check class of service desired; otherwise the message will be transmitted as a telegram or ordinary cablegram.

WESTERN UNION

A. N. WILLIAMS
PRESIDENT

CHECK

ACCOUNTING INFORMATION

TIME FILED

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

August 25, 1947

STRAIGHT WIRE TO GO TO FOLLOWING -

E. C. Mills	630 Fifth Avenue, New York Citt
Franklin Cole	c/o Franklin Cole & Co. 120 Broadway, New York City
Arnold M. Grant	c/o Weisman & Grant, 295 Madison Avenue, New York City
Charles Schwartz	c/o Schwartz & Frolich, 1450 Broadway, New York City
Herbert P. Jacoby	" " " 1450 Broadway, New York City
Vitalis L. Chalif	c/o Leon, Weill & Mahoney, 15 East 26 Street, New York Cit
Edward C. Raftery	c/o O'Brien, Driscoll & Raftery. 152 West 42 Street, New York City
~~Gradwell L. Sears~~	~~United Artists Corporation~~

The special meeting of Board of Directors of United Artists Corporation called for Tuesday August 26th will be postponed until Wednesday September 3rd at 2:30 P.M. at the offices of the Corporation at 729 Seventh Avenue New York City. This postponement was caused by urgent need managements presence in Washington on date originally set.

GRADWELL L. SEARS
PRESIDENT

Charge to the account of

DOMESTIC		CABLE	
TELEGRAM		ORDINARY	
DAY LETTER		URGENT RATE	
SERIAL		DEFERRED	
NIGHT LETTER		NIGHT LETTER	

Please should check class of service desired; otherwise the message will be transmitted as a telegram or ordinary cablegram.

WESTERN UNION

1211

N. WILLIAMS, PRESIDENT — NEWCOMB CARLTON, CHAIRMAN OF THE BOARD — J. C. WILLEVER, FIRST VICE-PRESIDENT

CHECK

ACCOUNTING INFORMATION

TIME FILED

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

AUGUST 19, 1947

STRAIGHT WIRE TO THE FOLLOWING:

E. C. MILLS	630 FIFTH AVENUE, NEW YORK CITY
FRANKLIN COLE	c/o FRANKLIN COLE & CO., 120 BROADWAY, N.Y.C.
ARNOLD W. GRANT	" WEISMAN & GRANT, 295 MADISON AVENUE, N.Y.C
CHARLES SCHWARTZ	" SCHWARTZ & FRONLICH, 1450 BROADWAY, N.Y.C.
HERBERT P. JACOBY	" " " 1450 BROADWAY, N.Y.C.
VITALIS L. CHALIF	c/o Leon, Weill & Mahoney, 15 EAST 26th STREET, N.Y.C.
EDWARD C. RAFTERY	c/o O'BRIEN, DRISCOLL, RAFTERY & LAWLER, 150 WEST 42ND ST., N.Y.C.

GRADWELL L. SEARS - The Hinckes Rod and Reel Club, c/o Dr. Charles Shapiro, Kasubosun via Lake St.Marie, Province of Quebec, Canada.

A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION WILL BE HELD AT THE OFFICES OF THE CORPORATION AT 729 SEVENTH AVENUE, NEW YORK, N.Y. ON TUESDAY, AUGUST 26, 1947 AT 2:30 P.M. TO DISCUSS THE QUESTION OF ECONOMIES IN THE CORPORATION AND SUCH OTHER AND FURTHER BUSINESS AS MAY COME BEFORE THE MEETING.

HARRY J. MULLER, ASST. SECRETARY

Note: - Please type the words "TO BE DELIVERED" on the Gradwell L. Sears' wire.

MR. ARTHUR W. KELLY - UNARTISCO, LONDON, ENGLAND

cc:- Miss Phillips

MINUTES OF MEETING OF BOARD OF DIRECTORS
OF UNITED ARTISTS CORPORATION

A special meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Wednesday, September 3, 1947 at 2:30 P.M.

There were present:

E. Claude Mills
Vitalis L. Chalif
Arnold M. Grant
Herbert P. Jacoby
Charles Schwartz
Franklin Cole
Gradwell L. Sears

constituting a quorum.

There were also present Paul O'Brien and Harry J. Muller, Assistant Secretaries.

Mr. Sears acted as Chairman and Mr. Muller acted as Secretary.

1. NOTICE OF MEETING

The meeting was called pursuant to telegraphic notices attached to these minutes.

2. MINUTES OF PREVIOUS MEETINGS

Mr. Schwartz stated that one of the directors who was absent from the last meetings has commented to the various directors that to his surprise there is no discussion of the financial affairs of the company in the minutes of August 5th. Mr. Schwartz moved that there be added to the minutes of August 5th a notation to the effect that there was a very lenthy and detailed discussion of the affairs of the company. Mr. Jacoby seconded the motion and it was carried.

In connection with the dividend resolution in the August 5th minutes, Mr. Schwartz moved that the period of time stipulated therein be extended for another thirty days. Mr. Jacoby seconded the motion and it was carried.

Mr. Cole asked certain additional questions in connection with the meetings of August 5th and 6th and received answers from various directors. Mr. Cole then stated that he wanted his views recorded on these minutes that he strenuously objects to the execution of the contract with Arthur W. Kelly and that his reasons are, first, that this corporation is not in the financial condition to shoulder this contingent liability of $195,000 and second, that the corporation is in a period of drastic economies that involve firing and cutting of the wages of the employees. He also stated that he would like to have entered into this record whether this contract was before the Board and whether it was considered in the light of the objections that he raises and that this company may face, in the next 12 to 18 months, receivership or even bankruptcy, in which event this contract will certainly be aired in the interest of creditors. Mr. Schwartz stated that he voted only as an individual and he believed then and does now that the contract is in the interest of the corporation.

There were also comments by other directors and Mr. Schwartz moved the approval of the two sets of minutes as sent to the directors by mail with the changes and comments of this meeting. Mr. Jacoby seconded the motion and all directors present voted in favor except Mr. Cole, who refrained from voting.

3. BILLS RENDERED

Mr. Grant stated that he wished to file with the corporation bills addressed to United Artists Corporation which have been forwarded to him by Miss Pickford for payment by United Artists Corporation as follows:

From Parker and Parker dated July 25, 1947	$ 591.55
From The Pickford Corporation dated July 28, 1947 for the expenses of Miss Pickford, Mrs. Lewis and Miss Cowan	3,246.42
From Davis, Polk, Wardwell, Sunderland & Kiendl dated July 28, 1947	7,152.99
From Leon, Weill & Mahoney dated August 4, 1947	8,500.-

These bills were rendered in connection with the proposed sale of stock in United Artists Corporation.

There was also a bill which had been mailed directly to the corporation from Prinzmetal and Grant dated August 26, 1947 in the amount of $1,821.47 for a pro-rata proportion of traveling expenses of Mr. Grant. Mr. Schwartz stated that he wished the record to show that the filing of these bills does not constitute an obligation on the part of the corporation. Mr. Grant moved that a committee be appointed consisting of the Chairman, the Treasurer and Mr. Schwartz to review these bills prior to the next meeting and at that time to report back to the Board. Mr. Jacoby seconded the motion and it was carried. Mr. Grant stated that no doubt a bill would be forthcoming from his offices for services rendered in this matter.

4. ECONOMIES

Mr. Chalif referred to a letter from Mr. Cole concerning the financial position of the company, a copy of which was sent to each director, and asked Mr. Sears for the program of economies. Mr. Sears stated that his program of economies was started before he received Mr. Cole's letter and not as a result of having received that letter. He stated that the savings effected thus far amounted to $13,287 per week in the Home Office and exchanges and he read to the meeting the details thereof. He stated furthermore that these figures were withoug including certain branches on the West Coast and in the Southern District and stated that in his opinion this figure would be built up to a minimum of $15,000 per week and maybe slightly more. He stated that in the Foreign Department, in the absence of Mr. Kelly, certain expense reductions have been started, amounting to roughly $2,300 per week and there might be further reductions of $400 or $500 a week. Mr. Sears asked the directors to lay down a policy as to the extent of the expense cutting and some of the directors stated that they felt that he should go as far as he possibly can as long as he does not impair the efficiency of the organization or breach contracts with producers. Mr. Sears then referred to directors' fees and suggested that they be reduced

either by a reduction in the rate or a reduction in the number of directors or by reduction in the number of meetings. It was the sense of the meeting that the number of directors was a matter for the stockholders to decide and that the present rate should continue and that it might even be necessary to have more meetings than usual at the present time. Mr. Sears referred to the fees of the three law firms who are on an annual retainer basis and Mr. Schwartz stated that, although his firm does not do the regular law work for the corporation, it does render services entirely outside of the realm of being directors to this corporation for which no directors' fees are accepted. He stated that he considered the annual fee of $10,000 quite modest but, as a gesture to the corporation in its economy drive, he was willing to cut the fee 25% to $7,500 per annum and to continue the director services without directors' fees. With respect to the annual fee paid to Loyd Wright in the amount of $12,000 per year, it was the sense of the Board that this be cut to $5,200 per year and Mr. Sears was requested to communicate with Mr. Loyd Wright on this matter.

5. ENGLISH SITUATION

Mr. Sears stated he received a cable from Mr. Kelly and also a phone call at his home last night to the effect that Pounds are needed in England to meet maturing obligations and Mr. Kelly wants to make a loan against the 83,000 ordinary shares of Odeon Theatres, Ltd. directly held by United Artists Corporation, Ltd. Mr. Sears pointed out that these shares were selling for 45 Shillings, 6 Pence when he was in England and that he recommended the disposal of these shares at that time. Mr. Kelly says they are now selling for 32 and in all probability will go lower. Mr. Grant stated that he believed that the shares should be sold instead of making a loan and he believed the Stockholders should pass upon such action. Mr. Grant moved that, in view of the situation and the English market and the needs of the English subsidiary as disclosed by the report of the Chairman, the Stockholders of United Artists Corporation be

advised that it is the sense of this Board that the Odeon holdings not in the Odeon Cinema Holdings, Ltd. be disposed of at the best possible market price and that the Stockholders be requested to forthwith communicate their approval or disapproval and furthermore, if the Stockholders are in the same sense as this Board, that the English Board be petitioned to take the action requested. Mr. Schwartz seconded the motion and it was carried unanimously. Mr. Sears also read parts of cables that he received from Mr. Kelly concerning the situation in England.

6. GRINIEFF CONTRACT

Mr. Sears stated that Mr. Grinieff has made statements to the effect that he can get back his $800,000 payment to United Artists Corporation plus damages because his contract calls for pictures which we cannot give him as the rights were given to Motion Picture Export Association. At the O'Brien, Driscoll, Raftery and Lawler office a suggested settlement has been mentioned that the contract be amended so that the $300,000 guarantee is not to be paid unless earned. Counsel was requested to get all of the facts, summarize them and bring them to the next meeting.

7. ENTERPRISE PRODUCTIONS, INC.

Mr. Sears stated that Ginger Rogers has agreed to make a picture for Enterprise called WILD CALENDAR and she has agreed to defer compensation of $175,000 provided Enterprise Productions, Inc. guarantees the payment of the $175,000 and United Artists Corporation in turn guarantees Enterprise's guarantee. This picture would be one of the six pictures on which we handle domestic distribution under the present Enterprise contract and on which Metro handles the foreign distribution. Mr. Grant stated that under the Enterprise financing, Bank of America provides 90% of the money necessary to produce the picture and

the balance is borrowed money, so that no clear money would be payable to Enterprise for Ginger Rogers or United Artists Corporation until this financing had been repaid. After discussion, Mr. Mills moved that upon the recommendation of Management, Management be authorized to make the necessary arrangements to guarantee the Enterprise guarantee to Ginger Rogers of $175,000, such guarantee to become effective only if; one, Ginger Rogers is the star of the picture, two, the picture is delivered to United Artists Corporation and to Metro, three, delivery is made not later than October 1, 1948 and four, we receive a lien on the world-wide receipts of the picture of the first clear money after the repayment of the financing necessary for the picture. Mr. Jacoby seconded the motion and it was carried.

Mr. Sears stated that under the Enterprise arrangement, we agreed to defer our distribution fee to the extent of $300,000 until April 1, 1948. Enterprise Productions, Inc. now requests that we defer a sum equal to 3% of the domestic gross of the Enterprise pictures, said 3% to pay for the expense of the New York office of Enterprise, provided the Bank of America likewise agreed to the 3% deferment. After discussion, Mr. Mills moved that the request for the further deferment of 3% be declined with regrets. Mr. Grant seconded the motion and it was carried.

8. JOE BLUMENFELD

Mr. Sears read from a wire and from a letter from Joe Blumenfeld to the effect that he can purchase the Cranshaw Theatre, Los Angeles for $125,000 together with a new lease at the rental of $1,100 per month and can also acquire the Raymond Theatre, Pasadena if we are interested in continuing as a 50% partner with Joe Blumenfeld and Dennis McNerney. Mr. Schwartz suggested that copies of this correspondence be submitted to all directors.

9. SCANDAL IN PARIS

Mr. Sears stated that he received a request from Arnold Pressburger that we give back the 16 mm. rights on SCANDAL IN PARIS and he urged that we accede to this request. Mr. Schwartz moved that Management be authorized to give up our 16 mm. rights on SCANDAL IN PARIS provided we secure from the producer a general release accepting our accounts as furnished. Mr. Jacoby seconded the motion and it was carried.

The meeting then adjourned to Friday, September 12, 1947 at 10 A.M., at which time it was agreed that the regular monthly meeting would also be held.

Gradwell L. Sears, Chairman

Harry J. Muller, Secretary

Charge to the account of _____ $ _____

CLASS OF SERVICE DESIRED

DOMESTIC		CABLE	
TELEGRAM		ORDINARY	
DAY LETTER		URGENT RATE	
SERIAL		DEFERRED	
NIGHT LETTER		NIGHT LETTER	

Patrons should check class of service desired, otherwise the message will be transmitted as a telegram or ordinary cablegram.

WESTERN UNION

A. N. WILLIAMS
PRESIDENT

1211

CHECK

ACCOUNTING INFORMATION

TIME FILED

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

September 5, 1947

FOLLOWING WIRE TO GO TO NAMES LISTED BELOW -

W. C. Mills	630 Fifth Avenue, New York City
Franklin Cole	c/o Cole & Company, 180 Broadway, New York City
Arnold M. Grant	c/o Weisman & Grant, 295 Madison Avenue, New York City
Charles Schwartz	c/o Schwartz & Frolich, 1450 Broadway, New York City
Herbert P. Jacoby	c/o Schwartz & Frolich, 1450 Broadway, New York City
Vitalis L. Chalif	c/o Leon, Weill & Mahony, 15 East 26 Street, New York City
Edward C. Raftery	c/o O'Brien, Driscoll & Raftery, 152 West 42 Street, N.Y.C.

The regular monthly meeting of the Board of Directors of United Artists Corporation will be held at the companys offices 729 Seventh Avenue New York City Friday September 12th at ten A.M. instead of Tuesday September 9th as provided in the bylaws. A complete agenda will be forthcoming at least three days prior to the meeting.

GRADWELL L. SEARS
PRESIDENT

MINUTES OF MEETING OF BOARD OF DIRECTORS
OF UNITED ARTISTS CORPORATION

An adjourned meeting and the regular monthly meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Friday, September 12, 1947 at 10 A.M.

There were present:

E. Claude Mills
Herbert P. Jacoby
Edward C. Raftery
Vitalis L. Chalif
Franklin Cole
Charles Schwartz
Gradwell L. Sears

constituting a quorum.

Mr. Grant entered the meeting after business started.

There were also present Paul D. O'Brien and Harry J. Muller, Assistant Secretaries and Sam Dembow, Jr.

Mr. Sears acted as Chairman and Mr. Muller acted as Secretary.

1. NOTICE OF MEETING

The meeting was called pursuant to the adjournment of the last meeting and also pursuant to telegraphic notice attached to these minutes.

2. MINUTES OF PREVIOUS MEETING

Before the meeting started, the Secretary distributed copies of the minutes of the previous meeting. Mr. Schwartz requested that the minutes of the last meeting be corrected on Page 2, the last sentence of the first full paragraph to read "Mr. Schwartz stated that he voted only as a director and he believed then and does now that the contract is in the interest of the corporation." Mr. Cole requested that the minutes be corrected by adding to Item 4 the fact that Mr. Cole moved that the overhead be reduced by $25,000 a week to be effective as against the overhead of the corporation as at July 1, 1947

and that the motion was not seconded and it therefore failed. Mr. Mills moved to adopt the minutes as corrected. Mr. Schwartz seconded the motion and it was carried.

3. EDWARD C. RAFTERY

The Chairman read a letter from Edward C. Raftery reading as follows:

"I hereby resign as a director of United Artists Corporation effective on the election of my successor.

Dated, New York,
September 7, 1947

Edward C. Raftery
Edward C. Raftery"

Mr. Mills moved to accept this resignation with great regret. Mr. Jacoby seconded the motion and it was carried. The Chairman asked Mr. Raftery to remain at the meeting as counsel.

4. SAM DEMBOW, JR.

Mr. Chalif nominated Mr. Sam Dembow, Jr. as a director to fill the vacancy caused by the resignation of Mr. Raftery. Mr. Mills seconded the nomination and Mr. Dembow was unanimously elected as a director of the corporation. Mr. Dembow then took his seat at the Board.

5. ELI DE ROTHSCHILD

The Chairman stated that several months ago this Board approved a deal with Eli de Rothschild under which Mr. de Rothschild would make a French picture on which we would have the world distribution rights and in which we would invest some of our frozen French Francs. The picture is nearly finished. The terms of the deal were changed and therefore this Board's approval is required. Mr. O'Brien then explained that under the former arrangement our French company was going to advance the money during production but the Rothschild people preferred to finish the picture first and then have us provide 70% of the production cost. The amount needed is

70% of 44,500,000 Francs or 31,150,000 Francs and we would have to pay 10,000,000 Francs now, 18,000,000 Francs in twelve monthly instalments to begin on delivery of first prints and 3,150,000 out of producer's share of first receipts from distribution. Recovery would be from the first producer's share from the distribution of the picture. Our French subsidiary has on hand to the credit of United Artists Corporation and United Artists Productions, Inc. 29,140,000 Francs and they expect that the additional 2,000,000 Francs will be available before the balance of the money is needed. Mr. Sears stated that this arrangement gives us a French picture in France and recommended that the deal be approved. Mr. Schwartz moved that Management be authorized to conclude this deal. Mr. Mills seconded the motion and it was carried.

At this point Mr. Grant entered the meeting.

6. GRINIEFF CONTRACT

In connection with the Grinieff matter which was brought up at the last meeting, Mr. O'Brien stated that he talked to Irving Moross, Counsel for Grinieff, who requested him to delay action until Grinieff returns next week. Upon the motion of Mr. Mills this matter was tabled. Mr. O'Brien stated that Mr. Grinieff has offered to release us from additional countries in addition to the Export territory to make up the amount of the $300,000 guarantee. Mr. O'Brien was requested to supply all the facts to the directors.

7. ROACH PICTURE "CURLEY"

Mr. Raftery explained that the Roach picture CURLEY, which is one of the two pictures which make up the Roach Comedy Carnival, has been banned in the City of Memphis and in the County in which Memphis is located because little colored boys appear in the same scenes as little white boys. James Byrnes is going to handle this matter.

8. PLAGIARISM SUITS

Mr. Raftery reported that we received Summonses and Complaints in two music plagiarism suits. One involves SPELLBOUND on which he filed an answer and notified Dan O'Shea, the other involves MR. ACE on which he filed an answer and notified Ben Bogeaus.

At this point Messrs. Raftery and O'Brien asked to be excused and left the meeting.

9. PRODUCT ACQUISITION

The Chairman stated that the situation is desperate so far as the banks are concerned since they will not finance product through this company. Mr. Cole stated that he would like the minutes to fully express the communications which the Chairman received on this subject. The Chairman then read to the meeting three telegrams. The first was from George Bagnall dated September 10, reading as follows:

> "Bank of America have advised me they do not intend making any further loans. That means all banks we deal with are taking same position. There are no pictures actually in production and none will be going before cameras in near future with possible exception of Nebenzal's picture if we agree to proposal outlined in my letter of recent date. Am calling this to your attention as unquestionably product will be subject of discussion at tomorrow's Board meeting. Regards."

The second was from George Bagnall dated September 11, reading as follows:

> "Talked to Carl Leserman today regarding producers' meeting held yesterday. He told me he would be in touch with you and give you information on telephone. They sent telegram to Charlie and Mary yesterday requesting interview to discuss overall situation. Understand they did not have meeting with either of principals. As I dictate this wire know that Producers' Committee are in session and have been for last two or three hours with no sign of breaking up. Regards."

The Chairman stated that the Producers' Committee referred to in the above telegram consists of David Loew, William Cagney, Hunt Stromberg and Carl Leserman. The third was a telegram addressed to Miss Pickford by the Producers' Committee dated September 11 reading as follows:

"United Artists producers held a meeting and instructed the Committee who have signed below to ask you and Charles Chaplin to meet us immediately to discuss a serious situation now facing them asa group with the Banks with whom they have been doing business, having informed them they will make no further loans for future production that will be released through United Artists. Matters requiring discussion as outlined by Banks are of such nature that they can only be discussed by Owners and not Management. We would appreciate appointment immediately tomorrow, Thursday, September 11th if possible as the matter is becoming more hazardous daily with all production at a complete standstill and every producer incurring tremendous losses view of this condition. David Loew's telephone number is Hollywood 8321.

David Loew
William Cagney
Hunt Stromberg
Carl Leserman"

The Chairman stated that Mr. Yousling of Security-First National Bank had adopted the position that United Artists Corporation was going broke and their Bank would not give loans for pictures going through our distribution but would give loans on pictures going through some other outfit. The Chairman stated that he had a long meeting with Alex Ardrey of Bankers Trust. He also stated that David Loew had a long meeting with Bank of America who informed him that they would not make any more bank loans. The Chairman stated that there are other deals that have second money but cannot get first money. The Chairman also spoke about our distribution contracts being non-exclusive and that doubts have been raised as to whether or not certain completed pictures will be delivered to us. Mr. Schwartz said that he does not subscribe to those statements about non-exclusivity, although the Chairman said that he was so advised by counsel. Mr. Cole stated that the attitude of the banks is a forerunner to the escrowing of funds. Some of the directors then asked Mr. Cole what he suggested and Mr. Cole stated that he saw Mr. Ardrey twice last week and he received the same story as has been told to him for a year. The publicity of this company has been insidious. The publicity has aired the inner-most secrets of this company. The banks are not in sympathy with the Management change. They feel that Mr. Sears is a top-flight salesman. They do not believe he is an executive who can deal with the present situation confronting

the company. They know what other companies are doing; for example, Paramount and Loew's. They talk about our two owners and their attitude toward the company. They feel that the two owners should immediately put their stock in a voting trust and divorce themselves from Management and that someone should be brought in immediately to effect drastic economies. Mr. Ardrey thinks these economies can be carried much further than they have been carried. Mr. Kelly gave out a lot of publicity about a $5,000,000 loan but Mr. Ardrey could find no one who knows anything about it. The same thing has happened in London. Mr. Ardrey asked if Miss Pickford was going to put up any money and Mr. Cole told him that sofar as he was concerned she would not.

There was further discussion concerning the motive that might be behind the banks' action. Mr. Grant referred to a letter dated September 4, 1947 written by Mr. Cole to all of the directors. He said that there were statements in that letter that cannot remain unanswered and several of the directors agreed with him and stated they would put their answers in writing. Mr. Cole stated that the contract between the Stockholders entered into last February and supplemented in July definitely surrenders the rights of this Board. He stated that the Owners dictate to Management when that is the prerogative of this Board. Mr. Schwartz stated that he did not agree. Mr. Cole further stated that economies are not going along fast enough. There was considerable discussion concerning the separating of the funds payable to producers or to the bank assignees of producers but the directors were not in agreement as to the point at which the separation might take place.

Mr. Mills suggested a plan of issuing 20,000 Shares of Stock. 5,000 A Shares to be sold to exhibitors for $5,000,000, 5,000 B Shares to go to The Pickford Corporation, 5,000 C Shares to go to Mr. Chaplin and 5,000 D Shares to be held in the Treasury, the shares of stock to have equal voting power, each class to elect the same number of directors. The Chairman stated

that he believed that we could get the money from the exhibitors but the exhibitors would have to have the right to elect one-half of the directors. Mr. Chalif stated that it would take at least six to nine months to go through the S.E.C. Mr. Mills stated that investment bankers at 50 Broad Street would be willing to lend United Artists Corporation $2,000,000 on its note as soon as the plan is adopted and approved by the Stockholders.

10. ENTERPRISE PRODUCTIONS, INC.

Mr. Schwartz asked what happened in connection with the Ginger Rogers matter submitted to the last meeting. The Chairman stated that he notified David Loew that the Board approved but he received no further advice from Mr. Loew. Mr. Schwartz suggested that a contract be drawn and sent to Enterprise for signature.

11. JAMES MASON

The Chairman referred to a letter from Arthur W. Kelly, attached to which was a proposed arrangement with James Mason containing terms of 27½% for United States and Canada and United Kingdom and standard terms for the rest of the world. Mr. Schwartz stated that his office represents Mason in the United States. Mr. Mills moved that Management be authorized to enter into an agreement as set forth in Mr. Kelly's letter to Mr. Sears of September 2, 1947 covering a picture in which James Mason is to star and all the other conditions as set forth in the letter. Mr. Chalif seconded the motion and it was carried.

12. NERO FILMS, INC.

The Chairman stated that he received a letter from George Bagnall enclosing a letter from Nero Films, Inc. and from Stellar Pictures Corporation. This correspondence indicates that the producer is willing to go ahead with the Technicolor picture starring Maria Montez, provided we sign a paper which was

dictated by Messrs. Yousling and Callister of Security-First National Bank and Trust Company to the effect that the producer may take the picture elsewhere for distribution. The correspondence indicates that the picture cannot be financed for United Artists' distribution unless this procedure is followed. The correspondence further states that under the terms of the Nero Films, Inc. contract, neither Nero Films, Inc. nor Stellar Pictures Corporation are under any obligation to deliver the picture to United Artists Corporation. After discussion, Mr. Grant moved that Mr. Bagnall or another appropriate officer and counsel meet with Mr. Nebenzal of Nero Films, Inc. and the representatives of Security Bank to agree upon language which will grant Nero Films, Inc. protection against our ability to perform. Mr. Jacoby seconded the motion and it was carried.

13. ENGLISH SITUATION

The Chairman reported that he received a cable from Mr. Kelly dated September 4 (which he read to the meeting) which he, in turn, relayed to Mr. Chaplin asking for approval of the proposed sale of Odeon stock, but no reply has been received from Mr. Chaplin. The Chairman received the following cable from Mr. Kelly dated September 12:-

> "You appreciate we must use producers' money at this end to meet out expenses. No news from Chaplin about borrowing or selling and no news from you reference Rothschild. Rouvier says if the Board cannot agree it is only fair to relieve Rothschild of his obligation to deliver the picture. I believe he has had offers for it Stop Please get an answer so I know how to operate"

The Chairman further stated that Mr. Kelly advised him in a letter that not more than 1,000 shares could be dealt in successfully in London, although the market is a little stronger because the indications are that the coal mine situation will be straightened out within a few days. Mr. Chalif said that he heard from Miss Pickford in connection with these Odeon shares and she is willing to do whatever the Board wishes.

Mr. Chalif then asked further questions concerning the English profit shown on the Estimated World-Wide Profit and Loss statement as against the English losses mentioned at the Board meeting. It was explained that the United Artists Corporation charges a Franchise Fee of 12½% on all played and earned except that on which the revenue is only 10% and that recently recommendations were received to reduce the Franchise Fee from 12½% to 8% retroactive to January 1, 1947. It was agreed that the Franchise Fee be reduced in accordance with the recommendations and that London be notified forthwith.

14. ENTERPRISE PRODUCTIONS, INC.

The Chairman referred to the proposal for a deferment equal to 3% of the domestic gross of the Enterprise pictures and, after discussion, Mr. Chalif moved that United Artists Corporation agree to accept the request of David Loew to pay over to Enterprise Productions, Inc. 3% of the domestic gross out of the producer's share, provided that such payment shall not in any wise affect our agreement with Enterprise under which the deferment of our distribution fee does not run beyond April 1, 1948, as more specifically set forth in the contract with Enterprise. Mr. Mills seconded the motion and it was carried.

15. BEN BOGEAUS

The Chairman stated that Ben Bogeaus wants to be released in England from the motion picture THE MACOMBER AFFAIR. Mr. Bogeaus claims that Mr. Grinieff has an organization in England which is distributing the re-issues from us and other product and Grinieff offered a $250,000 guarantee against the same distribution deal that we have in England and guaranteed an A.B.C. date for September 17. Ben Bogeaus wants to be relieved in England because of the Grinieff guarantee if Mr. Kelly is not able to make a deal. The Chairman stated that Mr. Kelly is in negotiation with the Gaumont-British Circuit and that the A.B.C. Circuit will declare their position by Monday. The Chairman

read from a letter from Mr. Kelly indicating that he suggested to Teddy Carr that we might give Rank 25% of our British company on a long term deal and that John Davis telephoned to explore the situation further. It was agreed that Mr. Schwartz would send a cable to Mr. Kelly about selling or hypothecating the Odeon free shares, advising him that Miss Pickford agrees but that no reply had been received from Mr. Chaplin. There was further discussion concerning this situation.

16. ECONOMIES

In response to Mr. Cole's question about economies, the Chairman asked Mr. Buckley to come to the meeting. Mr. Buckley answered questions concerning the progress being made with economies. He then left the meeting.

17. DOMESTIC RELEASE SCHEDULE

The Chairman then asked Mr. Unger to come to the meeting with the domestic release schedule. Mr. Unger read the various pictures scheduled for release from July to December, 1947. He also commented on the fact that the producer's representative rejects all dates submitted on HEAVEN ONLY KNOWS and on MAD WEDNESDAY (formerly THE SIN OF HAROLD DIDDLEBOCK), the producer's representative is asking the same rentals which we received on SINCE YOU WENT AWAY. The release date of SLEEP MY LOVE has been moved to January because the picture will not be ready. A MIRACLE CAN HAPPEN and ATLANTIS have not yet been delivered. On the Sam Bischoff picture, INTRIQUE, trade papers state that someone else will handle the distribution. On STAMPEDE (formerly RED RIVER) no word has been received. Mr. Unger then left the meeting.

18. ARNOLD GRANT

At this point, Mr. Grant stated that he wished to submit his resignation as a director and asked that it be acted on today. He was requested to delay the matter until the end of the meeting.

19. CHARLES CHAPLIN

Mr. Mills brought up the question of waiving the statute of limitations in connection with the Charles Chaplin claim referred to in the minutes of June 12, 1947. Mr. Grant stated that Miss Pickford has not consented to this waiver. This matter was tabled until the next meeting.

20. ARTHUR W. KELLY

Mr. Cole moved for a re-consideration of the Arthur W. Kelly contract. Mr. Mills asked for information from the attorneys. He stated that Mr. Kelly signed the contract, went to work for the corporation and made a trip to England and the contract merely requires the signature of the corporation. Mr. Mills thinks that the corporation is bound but would like to have the opinion of the attorneys. Mr. Schwartz stated that the corporation is bound. Mr. Chalif said that Mr. Kelly does not have a valid contract for three years until the contract is signed by the corporation. Mr. Grant said the matter should be given to counsel for the corporation for a formal opinion. Mr. Cole stated that the agreement, which was entered into by Miss Pickford and Mr. Chaplin in February and supplemented by the July agreement, was entered into at the time by both stockholders on the advice of counsel, certainly without the knowledge of the financial affairs of the corporation. In February, they did not anticipate the condition at August 5th and August 6th. There was no up-to-date airing of the affairs of this company at that time. He stated further that the $15,000 saving includes $1,000 for the reduction of the O'Brien, Driscoll, Raftery and Lawler fee, but no mention is made of the added overhead of $1,250. He stated that nothing he has said reflects on the ability of Mr. Kelly, but he asks if the Board were prepared to burden this company with a contingent liability of $195,000. Mr. Mills asked if we had not already undertaken it. Mr. Grant stated that every company he has come in contact with gets out of trouble with good talent and not with $35. people. Our net increase in expenses

($1,250 less $1,000) is $250. weekly. We are taking on a $250. weekly expense advisedly. He stated further that he knew about the condition of the company and he felt it was an accomplishment to make this change at a cost of only $250 per week when the company would have gladly added $2,000 to $2,500 per week in the form of a new President and he still believes that it would be the right thing to add two or three more people if they were the type who could work out the difficulties. The Chairman stated that Mr. Kelly's salary is a Foreign Department expense whereas the O'Brien, Driscoll, Raftery and Lawler reduction is in the domestic. Inasmuch as there was no second to Mr.Cole's motion, the Chair declared the motion lost.

21. ARNOLD GRANT

In referring to Mr. Grant's offer to resign, Mr. Schwartz stated that he was a very important member of this Board, intimately familiar with the business and that it would be most unfortunate if the Board were to accept his resignation and, as a matter of fact, Mr. Schwartz would like to vote against accepting it. Mr. Schwartz stated that he would like Mr. Grant to defer his resignation for a couple of weeks to permit the Board to have the benefit of his judgment and outlook in connection with pending matters. Mr. Grant stated that he was not resigning because he saw any outlook for bankruptcy or receivership, especially when the company can be sold for $6,000,000 or $7,000,000 immediately. He stated that, as a lawyer he must have an allegiance to a Stockholder and as a director his allegiance must be to the corporation and he sees very clearly a breach coming between the two loyalties. He will be happy to come to the next meeting and give the Board the benefit of his advice, but he sees no alternative but to resign at that meeting.

The meeting then adjourned to a date to be set by the Chairman.

Gradwell L. Sears, Chairman

Harry J. Muller, Secretary

LETTER | TELEGRAM
UNION
A. N. WILLIAMS
PRESIDENT
TIME FILED
Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

September 16, 1947

Following wire to go to names listed below -

E. Claude Mills	630 Fifth Avenue, New York City
Herbert P. Jacoby	c/o Schwartz & Frolich, 1450 Broadway, N.Y.C.
Charles Schwartz	c/o Schwartz & Frolich, 1450 Broadway, N.Y.C.
Franklin Cole	Franklin Cole & Co. 120 Broadway, N.Y.C.
Vitalis L. Chalif	c/o Loom, Weill & Mahony, 15 East 26 Street, N.Y.C.
Arnold Grant	c/o Weisman & Grant, 295 Madison Avenue, N.Y.C.
Samuel Dembow Jr.	18 East 48 Street, N.Y.C.

The special meeting of the Board of Directors of United Artists Corporation scheduled to be held in the companys offices at 729 Seventh Avenue, New York City on Thursday September 18th, 1947 at 10:00 A.M. has been postponed until Monday September 22nd, 1947 at 10:00 A.M. at which time the matters included in the previous notice will be discussed.

GRADWELL L. SEARS
PRESIDENT

copies - A. W. Kelly
H. J. Muller

UNION

A. N. WILLIAMS
PRESIDENT

TIME FILED

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

September 15, 1947

Following wire to go to names listed below -

E. Claude Mills	630 Fifth Avenue, New York City
Herbert P. Jacoby	c/o Schwartz & Frolich, 1450 Broadway, N.Y.C.
Charles Schwartz	c/o Schwartz & Frolich, 1450 Broadway, N.Y.C.
Franklin Cole	c/o Franklin Cole & Co., 120 Broadway, N.Y.C.
Vitalis L. Chalif	c/o Leon, Weill & Mahony, 15 East 26 Street, N.Y.C.
Arnold Grant	c/o Weisman & Grant, 295 Madison Avenue, N.Y.C.
Samuel Dembow Jr.	18 East 48 Street, New York City

There will be a special meeting of the Board of Directors of United Artists Corporation in the company offices located at 729 Seventh Avenue, New York City on Thursday September 18th 1947 at 10:00 A.M. to discuss the acquisition of product the banking situation and all corelated matters. Arthur Kelly will make full report on his English visit.

GRADWELL L. SEARS
PRESIDENT

copies - A.W. Kelly
H. J. Mullen

MINUTES OF MEETING OF BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION

A special meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Monday, September 22, 1947 at 10 A.M.

There were present,

E. Claude Mills
Herbert P. Jacoby
Arnold M. Grant
Vitalis L. Chalif
Sam Dembow, Jr.
Charles Schwartz
Arthur W. Kelly
Gradwell L. Sears

constituting a quorum.

There was also present Harry J. Muller, Assistant Secretary.

Mr. Sears acted as Chairman and Mr. Muller acted as Secretary.

1. NOTICE OF MEETING

The meeting was called pursuant to telegraphic notice attached to these minutes.

2. "THE ROOSEVELT STORY"

The Chairman stated that he had worked out a deal for the distribution of THE ROOSEVELT STORY, subject to the approval of this Board on the basis of 40% in the United States and Canada, 50% for the rest of the world except England, Holland and Denmark where the picture has already been sold and 20% for Outright Sales. The Producer is to supply all prints and advertising and is to have a representative. This picture does not go through Motion Picture Export Association. The picture is a documentary, containing newsreel shots and, although the Chairman has not seen it, he is informed that it has done a very successful business in Brandt's Globe Theatre in New York. Elliott Roosevelt is going to make another trip to the Balkans and would like to have a print with him. Mr. Jacoby moved

that Management be authorized to make this deal. Mr. Mills seconded the motion and it was carried.

3. THE CHAPLIN STUDIOS, INC.

Mr. Jacoby delivered copies of The Chaplin Studios, Inc. distribution contract, signed by The Chaplin Studios, Inc.

4. RKO PICTURES

The Chairman stated that RKO is over-inventoried and he is working on an arrangement under which we can purchase seven motion pictures. Two of these pictures are completed and the Chairman has seen them. Both are excellent pictures and on one of them the Chairman feels that he can get a lot of money by changing the title. It is called OUT OF THE PAST, starring Bob Mitchum and Betty Jane Greer. The Chairman stated that although RKO has some high-cost pictures running as high as $3,000,000, he has endeavored to keep to an average cost of approximately $1,000,000. The Chairman believes that he can buy these pictures from RKO at cost and will follow through with this matter while he is in California.

5. EUGENE FRENKE

The Chairman stated that he received a letter from Eugene Frenke to the effect that they are ready to start a picture starring Robert Cummings, to cost $650,000 to $700,000, but the main handicap is first money. Mr. Frenke is asking us to assist in this financing. The Chairman stated that he would hold this matter until he gets to California.

6. BEVERLY HILLS REAL ESTATE

In connection with the parcel of real estate owned by the company in Beverly Hills, the Chairman read a memorandum which was sent to Miss Pickford by Miss Aurelia Cowan. It contained an appraisal from the Real Estate brokers,

Coldwell, Banker and Company, of $144,000 for the building and $62,500 for the land, making a total of $206,500. The brokers feel, however, that under present prices this appraisal may be a little high and that the property would sell for $175,000 to $180,000. The lease of these premises by the William Morris Agency runs until March, 1949.

7. ESTIMATED DOMESTIC INCOME

The Chairman distributed to the directors present a forecast of the future income in the domestic field from now until the end of the year.

8. REPORT OF ARTHUR W. KELLY

Mr. Kelly stated that he worked out a deal with Rank for the playing of seven pictures over the Gaumont-British Circuit which will be dated commencing in October. He stated that the Odeon Circuit is completely booked up until the end of the year. Although the dates and terms are agreed upon, separate contracts by theatre must be written and it will be some time before the contracts are signed. He stated now that we have commenced business he thinks we will be able to progress further. The Rank circuits are not worried by theshortage of pictures. They will pad out their playing time with re-issues of their own. There is no rush to pick up our pictures by either circuit. The A.B.C. Circuit will pick up some of our pictures provided, by January 1st, they need product and there is no break in the ad valorem situation. The remaining pictures that we have are not too strong for Gaumont to book, but Mr. Kelly believes that, in addition to the seven pictures, NEW ORLEANS and CARNEGIE HALL might get booked into Gaumont-British Circuit. He stated that nobody in England looks for the ad valorem tax to be more than 25%. There is talk of 25% cash, 25% freezing and 50% ad valorem tax. The British authorities do not want to make any concessions until the budget comes up in April, although there might be an interim budget in November. Information has been received in England that Mr. Johnston won't stand for even 1% tax.

Mr. Kelly stated that Mr. Rank has put an economy program into his production as costs are increasing. Pictures that could be shot in Hollywood in 30 to 40 days take 120 days in England. Producers of Rank's are not prepared as well as Hollywood producers when they go on the floor. There are days without turning a camera because of script-rewrites. It is reported Mr. Rank's companies, namely G.F.D. and C.F.C., have bank overdrafts of about £6,000,000. At a recent Odeon Theatres meeting, Mr. Rank reported a suggestion was made by the Gaumont-British Company that it should be the aim of the J.Arthur Rank subsidiaries to make good quality pictures and as many as possible, but he stated it was impossible to have pictures financed in excess of £250,000. In order to produce a quality picture the cost would be £275,000 and he suggested Odeon and Gaumont-British should each take a participation of £12,500 as end money for eight pictures. At this meeting of Odeon Theatres, Ltd., Mr. Rank made a motion which was seconded and passed that Odeon Theatres, Ltd. participate in this financing but Mr. Coplan, our Managing Director, voted against the resolution. John Davis reported to Mr. Kelly that Mr. Rank was very much upset by this action because this was the first time a Director voted against a resolution presented by Mr. Rank. Mr. Louis Lewis, former Secretary of United Artists Corporation, Ltd., is still on the Board of Directors of Odeon Theatres, Ltd. Lewis went with Selznick and Mr. Kelly has been trying to convince him to return to United Artists Corporation, Ltd. but he raises certain conditions, namely, that he be made Co-Managing Director and receive £125 a week instead of the £70 a week he received as Secretary. He receives £100 from Selznick. Mr. Coplan is not opposed to it but he did not want Mr. Lewis made Co-Managing Director at this time because of the publicity given that he, Mr. Coplan, was to be discharged. Mr. Coplan stated that at a later date he would not stand in the way of this arrangement. Because Mr. Lewis works for Selznick, Mr. Rank does not like the idea of his continuing on the Odeon Theatres, Ltd. Board. Mr. Kelly told Mr. Rank he would go on the Board in place of Mr. Lewis but John Davis stated it would not be political.

Mr. Rank subsequently said that he would put Mr. Kelly on in place of Mr. Coplan and have Mr. Coplan act as his alternate when Mr. Kelly is away, thus reducing our directorships to one. If Mr. Lewis comes back with United Artists, Mr. Rank apparently will leave things undisturbed. Mr. Kelly told Mr. Rank we would let him know within three weeks whether Mr. Lewis is coming back or not. Mr. Kelly stated under the qualification clause of Directorship, if all of the directors of Odeon desire a director to resign, he must resign. Mr. Kelly stated that Mr. Coplan was to see Mr. Lewis on Friday and try to convince him to come back to us and Mr. Kelly expects to hear something on it toward the end of the week. Mr. Kelly stated that he believed Mr. Rank would prefer that all our nominees be off the Board of Directors.

Mr. Kelly did a little investigating to get an opinion concerning the possibility of forcing a dissolution of Odeon Cinema Holdings and some English lawyers think that it can be done. Mr. Chaplin's lawyer, Mr. Ross, thinks it can be done. Mr. Welsford of Slaughter and May does not like the idea of taking action in this respect at all, but after talking it over he agreed that we might have a case on the basis of one of the partners of Odeon Cinema Holdings getting a greater advantage than the other partner.

Mr. Kelly stated as regards the remaining unsold pictures, if we cannot sell pictures to John Davis for the Odeon Circuit, we might be able to get our pictures played in the Gaumont-British Circuit through Mark Ostrer, its Managing Director. Mr. Kelly stated that Mr. Teddy Carr did a wonderful job in helping to bring about a better understanding with Messrs. Rank, Davis and Mark Ostrer.

At this point, Mr. Grant stated that he believed that this was the time to stand on our rights and gather information together to show what our legal position is. Mr. Grant referred to subsidiaries of Odeon in which Mr. Rank has other interests in addition to those held by Odeon. Mr. Grant questions if Mr. Rank paid for his other interests proportionately the same amount as was paid by

Odeon. He also raised the point that Mr. Rank might have pledged the credit of Odeon for the benefit of Mr. Rank's other companies. He stated that we should also investigate the possibility of getting jurisdiction over the Rank properties in this country.

Mr. Kelly stated that Mr. Welsford informed him that we are the only motion picture distributor that Slaughter and May represent and, although they hope that we do not start litigation against Rank, if we should start such litigation they would have no ties to prevent them from acting for us. As a possible counsel for us in such litigation, Mr. Kelly referred to another lawyer by the name of Mr. McKay, who is an Australian and a member of Parliament and who incorporated Mr. Rank's General Film Distributors Ltd.

Mr. Kelly stated that Odeon Cinema Holdings, Ltd. has a surplus of £189,000, which is carried by Odeon Cinema Holdings as provision for taxes, which we wanted to have split up so that we could get our share. If it were declared as a dividend, we would have to buy 55,000 additional preference shares in Odeon Cinema Holdings, Ltd. at 22/6 each. Mr. Rank said that he does not want this item declared as Surplus because there is a question involved relating to Excess-Profits taxes which affects all of his companies. Price, Waterhouse & Co. contends that Holdings is not subject to Excess-Profits tax but Mr. Rank says that it is and he got his auditors to give that opinion. We asked that this matter be brought up to the Inland Revenue Authorities for decision, but it was tabled at the last meeting. Mr. Rank stated that in the event that he felt it was in his interest to have Odeon Cinema Holdings, Ltd. pay Excess-Profits tax, he would see that United Artists would not lose anything by it. Mr. Kelly stated that in actual cash we would get about £35,000 out of the £189,000. Mr. Kelly asked Mr. Davis if Mr. Rank or Odeon Cinema Holdings, Ltd. would buy the 83,000 shares of Odeon Theatres, Ltd. held by us but Mr. Davis said they were not interested. He said that we could sell approximately 1,000 shares a day on the market.

Mr. Kelly suggested to Teddy Carr that for a long term franchise he would support giving Mr. Rank 25% of our English company. Teddy got the idea over to Davis who wanted to explore it further. Mr. Davis said they might be interested but they would not make any decisions until October. He stated further that they might be interested in buying the Odeon Cinema Holdings shares. Mr. Kelly asked Mr. Davis to make a bid. At the next meeting after this discussion, Mr. Rank asked what Mr. Kelly meant by the 25% of United Artists, Ltd. and Mr. Kelly said that for a long term contract to play our pictures such a plan would have his support but the contract would have to be binding and shares only passed on performance.

Mr. Kelly stated that he talked to Guaranty Trust Company, London about a loan of £80,000 on the free shares to finance the immediate requirements of our English company. Guaranty Trust Company is awaiting approval from its New York office. Mr. Kelly was advised by Mr. Welsford late Saturday that a law goes into effect in England which prohibits any foreign bank from making a loan to a foreign company without the approval of the British Treasury, but he felt that we might be able to get this transaction through in time before it comes under that regulation. He stated that United Artists Corporation, Ltd. would rate as a foreign company under that law and he would contact the New York office of Guaranty Trust Company today in an endeavor to expedite matters. Mr. Grant suggested that our free shares be sold whenever the market can take them.

Mr. Kelly stated that payments to producers have been stopped for the past two weeks but the £35,000 owing to producers is offset by Accounts Receivable from exhibitors. Vendors' bills amount to £45,000.

Mr. Kelly stated that it is impossible to get English product unless you are willing to guarantee 70% of the negative cost and also get the end money. He stated that he talked to Mr. K. Harrison of Technicolor, who is now increasing the plan facilities for that company. Mr. Harrison had previously talked of a

$5,000,000 loan if the Odeon shares were all free shares. When he found out they were not, he contacted another group that wants to build a studio in Ireland. They were willing to put up enough money for United Artists to make six pictures a year for five years, we to guarantee the return of negative cost. They want 4½% interest on their investment and 10% bonus, but no participation in the profits.

Mr. Kelly referred to Mr. Lew Jackson, of British National Pictures of Great Britain, who own and operate a very efficient Studio and are making a series of pictures for release through Pathe Company owned by A.B.C. Circuit and who have been desirous of finding some means of getting rid of their operation. Lady Yule, who financed this proposition, is not particularly interested in putting up further money for Mr. Jackson to make pictures as they have not been turning out particularly well as Jackson doesn't make a good picture. As it is imperative that United Artists distribute British pictures, we have been canvassing with Jackson two plans:

(1) That Lady Yule take a deferred stock share from United Artists Corporation Ltd. up to £1,000,000; we to pool this £1,000,000 with £1,000,000 of British National money to make six (6) important pictures a year to be distributed through United Artists world-wide organization.

(2) That we take over their entire operation - they selling the ordinary shares to us for a nominal amount and we agree to an issue of Preference shares between 600,000 and 700,000 at 3%, to be given to Lady Yule for her interest in this operation. There would be £100,000 in cash in the company and two (2) completed pictures worth about £100,000 apiece.

This is still in the talking stage because the difficulty with the proposition is a contract with Pathe and A.B.C. jointly under which there is an obligation to supply them with thirty (30) pictures at the rate of six (6) a year, of which only nine (9) have been delivered.

Mr. Schwartz asked about the possibilities with the independent exhibitors in the event we sold away from Gaumont-British and Odeon. Mr. Kelly stated that you would have to break away from the K.R.S. (distributors' organization) completely because it prohibits cooperative booking and you would have to tie all the exhibitors into a cooperative booking plan. Mr. Kelly stated that the A.B.C. Circuit has all booking time filled up to the end of the year.

Mr. Kelly stated that the new ad valorem duty is not yet law and does not become law until November 15, 1947 when Parliament meets.

Mr. Grant stated that an investigation should be made by an English lawyer, not the lawyer who is going to try the case, but a plain individual who will recognize the weaknesses of documents. This individual would have to go over the whole history of Odeon and the Rank financing insofar as it affects Odeon. An American law firm should be hired to do the briefing, including factual research on the involvement of Rank in America, what it consists of and the possibility of getting jurisdiction through a law suit. He estimated that the English law firm would cost about $20,000 and the American briefing job between $15,000 and $20,000, and that the total cost would be about $40,000. During such an inquiry, we could give out the story that it was being done for the purpose of selling the stock. Mr. Kelly suggested that this matter should wait until we get Mr. Lewis back with us and the benefit of his vast knowledge of Odeon affairs. Mr. Grant stated that he did not believe that Lewis would have the kind of data we need and that delay might give the other side the "defense of laches", which is given great weight in England. Mr. Schwartz stated that he agrees 100% with Mr. Grant that there should be an extensive study of the situation. On the other hand, at this moment with all due respects to laches, we are in a very perilous situation due to the fact that we are unable to play off our pictures in England, seven of which are dated now and there is a possibility that we may get the others played off. If we started this study at this time word would get to Mr. Rank and he

would cancel the arrangements on the seven pictures. He therefore believes that we should defer action for the time being and take our chances on laches. Mr.Schwartz further stated that Mr. Lewis has a rather complete picture of the Odeon situation and we might have him come to America and advise him of our idea and have him go back to England and have him act as a guide to the lawyer we engage in England. Mr. Schwartz stated that where we are a partner with Rank, he did not believe that laches, either in America or in England would be a defense. Weighing all the advantages and disadvantages, he would be very much disinclined to start any investigation against Rank at this time. Mr. Dembow stated that when Eric Johnston goes to England we will get a picture of the tax situation but that will take at least 60 to 90 days. The Chairman stated he is convinced that we will go back to our old role as soon as American pictures are again available in England. Mr. Schwartz suggested that the investigation be tabled until the next meeting.

Upon the request of Mr. Kelly, a motion was duly made, seconded and carried that United Artists Corporation recommend to its English subsidiary that Louis Lewis be engaged by them on a contract for a term not exceeding two years at a salary not exceeding £125 per week with options for later periods. Mr.Kelly further stated that Mr. Coplan is a sick man who is deferring an appendicitus operation.

9. TWOEY PRODUCTIONS, INC.

The Chairman read a letter from Twoey Productions, Inc. containing a proposition for a release of a picture to be produced under the title of CAPONE from a Westbrook Pegler story, the screen play to be by Jack Moffitt, at a negative cost of $850,000, United Artists to have the right of approval of two principal leads, director and co-producer or Unit Manager. Security-First National Bank have indicated they will make a loan of 60% of negative cost. The terms are to be standard form of contract, 27½% for United States, Canada and Great Britain

and standard terms for the rest of the world. After negative cost is recouped, the terms then become 50% in United States, Canada and Great Britain instead of 37½%. The Chairman stated that there might be censorship problems on a picture of this type. After discussion, Mr. Mills moved that Management be authorized to enter into a deal as outlined in the letter to Mr. Kelly, subject to the approval of the script and the treatment. Mr. Jacoby seconded the motion and it was carried.

10. ARNOLD GRANT'S BILL

Mr. Kelly then referred to the proposed charges for the services of Arnold M. Grant in connection with United Artists' matters. He stated that Mr. Chaplin felt that the activities of Mr. Grant in connection with the proposed sale to Fabian were not on his behalf and the charges should be borne by Miss Pickford herself. An agreement was reached between Messrs. Grant and Schwartz that Miss Pickford should pay that bill. At one time a bill was rendered for $35,000. A suggestion has been made that Mr. Grant bill the United Artists Corporation for his services arising out of the original agreement between Miss Pickford and Mr. Chaplin under which they were to find a President. Mr. Grant felt that the original bill should be split in half but he has finally made a suggestion that the bill for this service should be $10,000, payable $1,000 per week. Mr.Schwartz moved that this bill of $10,000 be paid. Mr. Chalif seconded the motion and it was carried. It was then agreed that the motion should include the out-of-pocket expenses for Mr.Grant in the amount of $1,821.47 heretofore billed by Prinzmetal and Grant.

11. ALBERT J. COHEN AND JACK GOLDBERG

The Chairman stated that he received a letter from George Bagnall concerning a proposed distribution deal with Albert J. Cohen and Jack Goldberg covering a musical picture to be made from a script entitled THE MELODY MAN with Dick Haymes and Dick Powell and perhaps Dorothy Lamour. The picture is fully

financed and it could go before the cameras in six months. The Chairman expects to receive further information from Mr. Goldberg.

12. BENNIE ZEIDMAN

The Chairman stated that Bennie Zeidman wants to make a series of pictures at a cost of between $500,000 and $600,000 each. He claims that he is fully financed, has first money and all the money that is necessary. He submitted a list of stories but when the Chairman asked him for concrete evidence of this finance he did not receive it.

13. PRODUCT ACQUISITION

The Chairman stated that Carl Leserman and David Loew of the Producers' Committee had a meeting with Miss Pickford and Mr.Chaplin and they stated that while they wished to approach the subject in a friendly fashion, they were faced with a problem and some of their producers are going to suffer losses because there is no bank credit since the banks were of the opinion that United Artists Corporation was probably using producers' money which is assigned to the banks and that the banks were dissatisfied with the Management of the company, because, even if Messrs. Kelly and Sears were the best salesmen, they had no money to operate with and until such time as money was put into the company there would be no bank loans forthcoming and they wanted to know what the Owners proposed to do about this matter. The Chairman stated that he talked to Miss Pickford, Mr.Chaplin and the Producers since then and they are all awaiting the arrival of Messrs. Kelly and Sears at the earliest possible moment and they expect them to arrive prepared with a plan on the long range basis. Mr.Schwartz stated that if a change-over were made from a billings basis to a cash collections basis, payments would stop until the cash collections basis caught up to the billings basis and that, furthermore, the producers would have to pay the corporation for the print and advertising money which the corporation has advanced.

Mr. Grant referred to the proposed seven picture deal with RKO and stated that he could secure 100% finance for these pictures from private non-bank sources on a 6% interest basis, provided United Artists Corporation will defer some part of its distribution fee. Mr. Chalif said that he could probably get a loan on a similar basis. The Chairman spoke of the fact that Wentworth Johnson of Irving Trust Company would be interested in making a loan on finished pictures and that it might be possible to get a $500,000 loan from DeLuxe Laboratories, Inc. provided the corporation would agree to purchase all prints from the Laboratory and perhaps pay an increased price. Mr. Grant stated further that he could get the entire $7,000,000 at one time, in which event 6% would have to be paid from the lending date, or alternatively, $1,000,000 down and $6,000,000 deferred, in which event interest would be payable only on the amounts loaned from time to time. The Chairman pointed out that two pictures are ready now and the other five will be ready in January and he selected these pictures because of their cost.

14. ARNOLD M. GRANT

At the request of Mr. Grant, it was agreed that the minutes of the last meeting be corrected by eliminating therefrom the statement about the reason for his resignation.

Mr. Grant then submitted his resignation as a director of the corporation but it was not acted upon.

15. RKO PICTURES

Upon motion duly made and seconded, it was resolved that a provisional committee shall be appointed, consisting of Messrs. Schwartz and Chalif to function for a period of 60 days, with whom Management can consult to make decisions that require immediate action for acquisition of pictures or financing thereof. To said committee there is delegated the full power and authority to adopt any resolution in connection with the aforementioned matters, provided that both said committee members are in agreement and further provided that the

President and the Executive Vice President are in agreement with such resolution and such resolution shall be binding as effectively as though adopted by the Board of Directors. This motion was carried.

At this point Mr. Grant asked to be excused and left the meeting.

16. CHARLES CHAPLIN

Mr. Jacoby brought up the question of Item 19 of the last meeting. After a short discussion, this matter was tabled.

17. JOE BLUMENFELD

In connection with the subject of acquisition of additional theatres in suburban Los Angeles with Joe Blumenfeld and Dennis McNerney, the Chairman stated that he would see Mr. Blumenfeld in California.

18. ARTHUR W. KELLY CONTRACT

Mr. Chalif suggested that a change be made in Mr. Kelly's contract by eliminating the provision for the payment of Mrs. Kelly's traveling expenses. Mr. Kelly stated that this was an arrangement that he always enjoyed and it was a basic part of his arrangement with the company and a provision of the last contract. The Chairman stated that he had signed the contract and it was in the hands of the O'Brien office and that the changes in the contract were agreed upon by Mr. Jacoby for Mr. Kelly and by Paul O'Brien for the company.

19. MILLS FINANCING PLAN

The Chairman suggested that the financing plan proposed by Mr. Mills be deferred pending the outcome of the RKO matter.

The meeting then adjourned.

Gradwell L. Sears, Chairman

Harry S. Muller, Secretary

Charge to the account of _____ $

CLASS OF SERVICE DESIRED			
DOMESTIC		CABLE	
TELEGRAM		ORDINARY	
DAY LETTER		URGENT RATE	
SERIAL		DEFERRED	
NIGHT LETTER		NIGHT LETTER	

Patrons should check class of service desired, otherwise the message will be transmitted as a telegram or ordinary telegram.

WESTERN UNION

1311

A. N. WILLIAMS, PRESIDENT — NEWCOMB CARLTON, CHAIRMAN OF THE BOARD — J. C. WILLEVER, FIRST VICE-PRESIDENT

CHECK

ACCOUNTING INFORMATION

TIME FILED

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

OCTOBER 7, 1947

FOLLOWING WIRE TO GO TO NAMES LISTED BELOW:-

ARNOLD M. GRANT c/o Weisman & Grant, 295 Madison Ave., New York, N.Y.
FRANKLIN L. COLE c/o Cole, Moisington & Company, 120 Broadway, New York, N.Y.
CHARLES SCHWARTZ c/o Schwartz & Frohlich, 1450 Broadway, New York, N.Y.
HERBERT P. JACOBY c/o Schwartz & Frohlich, 1450 Broadway, New York, N.Y.
E. CLAUDE MILLS 620 Fifth Avenue, New York, N.Y.
VITALIS L. CHALIF c/o Leon, Weill & Mahoney, 15 East 26th St., New York, N.Y.
SAM EMROW, JR. 15 East 48th Street, New York, N.Y.
GRADWELL L. SEARS 729 Seventh Avenue, New York, N.Y.

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION WILL BE HELD AT THE OFFICES OF THE CORPORATION AT 729 SEVENTH AVENUE, NEW YORK, N.Y. ON TUESDAY, OCTOBER 14, 1947 AT 2:30 P.M.

HARRY J. MULLER, ASST. SECRETARY

cc: Mr. Arthur W. Kelly

MINUTES OF MEETING OF BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION

A meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Tuesday, October 14, 1947 at 2:30 P.M.

There were present:

Arthur W. Kelly
E. Claude Mills
Herbert P. Jacoby
Vitalis L. Chalif
Sam Dembow, Jr.
Charles Schwartz
Franklin Cole
Gradwell L. Sears

constituting a quorum.

There was also present Harry J. Muller, Assistant Secretary.

Mr. Sears acted as Chairman and Mr. Muller acted as Secretary.

1. NOTICE OF MEETING

The meeting was called pursuant to telegraphic notice attached to these minutes.

2. MINUTES OF PREVIOUS MEETING

The minutes of the previous meeting had not yet been circulated to the directors and stockholders but it was agreed that the reading of such minutes be dispensed with.

3. AGENDA

The Chairman stated that he did not have the Agenda prepared in sufficient time to mail to each director but he thereupon distributed copies to the directors present.

4. BANKING SITUATION

The Chairman referred to the banking situation and the fact that certain West Coast banks were refusing to lend money to United Artists' producers and the producers were calling meetings among themselves and with our owners, making certain representations as to what the banks wanted. He stated that when he arrived in California, he immediately got in touch with RKO and looked at about eight pictures. While he was there, the Trade Press had published some derogatory headlines, such as a statement to the effect that the RKO buy was seen as a strategy to force release of producers' product and the fact that producers resent the RKO buy. The Chairman stated that he saw Tommy Deane and Bernard Giannini of Bank of America and explained to them that we wished to cooperate in every way possible and if they wanted a monthly Balance Sheet or their money trusteed we were ready to give it to them, but if we trusteed their funds, we would have to go from a billings basis to a cash collections basis and they stated they did not think they wanted that as our present method was satisfactory. With respect to Management, the Chairman stated that it was entitled to prove whether it was good or bad instead of their making up their minds in advance. They assured him they would continue to loan money to our producers and their attitude was directly opposite to what the Chairman had heard. They were most cooperative. They expressed an interest in the loan for the RKO purchase. He told them that Wentworth Johnson had expressed an interest in the loan and he did not want to shut him out. They said that they understood and were most agreeable.

The Chairman stated that he then saw George Yousling of Security-First National Bank and covered the same ground as he had covered with Bank of America. Mr. Yousling told him that it was no longer necessary for United Artists Corporation to sign a paper for Nero Films, Inc. to the effect that they are under no obligation to deliver the picture to United Artists Corporation and

he asked that we forget the whole matter. On the Monday following, George Bagnall, Arthur Kelly and the Chairman saw Chet Rude and George Yousling and again everything was agreeable to the Security-First National Bank and they reached the point of discussing certain loans that had not yet been made. The Chairman explained to them the position taken by Alex Ardrey of Bankers Trust Company and what Mr. Ardrey had proposed for the company and he informed them that he concurred in it wholeheartedly but he was not in a position to bring it about as he merely represented Management and had to do what he could with the materials he had but that the company was short of cash and, although he endorsed Mr. Ardrey's proposition, he was unable to do anything about it.

The Chairman stated that he then discussed the situation with Pacific Finance Loans who have about $4,000,000 in loans to our producers, of which there is nearly $1,000,000 on the Howard Hawks picture, RED RIVER, which ranks pari passu with another loan after $1,000,000. They gave him a list of their loans and he told them we would do all in our power to get them paid off. The Chairman stated that there were no commitments made on either side although he gave them a picture of our backlog and they knew how conservative it was when they saw the amounts for some of the pictures on which they have loans. With respect to RED RIVER, they asked if we would give up our distribution contract if they could sell the picture to someone else and the Chairman told them it would represent $4,000,000 of gross and $1,000,000 in distribution fees and he certainly was not going to sacrifice our share in order to let them realize on their loan.

The Chairman stated that after he had gotten together with these first and second money sources, he then went to see David Loew after Mr. Kelly had set up an appointment with Miss Pickford and Mr. Chaplin. Mr. Loew stated that this appointment was not necessary as he had heard from the banks and they had turned about completely and he realized that the Chairman had accomplished what

he came out to do. He then talked to Mr. Cagney, who is more seriously affected than anybody else. Mr. Cagney is trying to hold together an organization and he wants to get his loan set so that he can go ahead with production. Mr. Cagney then phoned Chet Rude and found that everything was satisfactory with the Security-First National Bank. The Chairman stated that they then talked to Miss Pickford and Mr. Chaplin and told them of the position. A few days later the Security-First National Bank completely reversed itself. They explained that since they were in some deals with Bankers Trust Company they would have to go along with Bankers Trust Company. With respect to the Cagney loan, Mr. Yousling said he could not give an answer until he got an answer from Mr. Ardrey and Mr. Ardrey says he will decide when United Artists Corporation does something. Mr. Kelly stated that they talked to Security-First National Bank about certain undelivered pictures like CHRISTMAS EVE and Chet Rude's attitude was that the producers would have to deliver the pictures so that the loans could be realized on.

The Chairman stated that he finally came to a definite decision with Peter Rathvon of RKO on the four pictures. Mr. Rathvon did not agree to let the Chairman take the pictures he wanted without taking certain others. He insisted on block-booking. The Chairman stated that he returned to New York and got in touch with Wentworth Johnson of Irving Trust Company who offered us a 90% loan on the RKO pictures, allowing $700,000 for prints and advertising, on 20% world-wide distribution, subject to the approval of the Bank's Board. The Chairman stated that he told Mr. Johnson he would let him know this afternoon whether we want to make the deal or not and he must also let RKO know as they do not want to prolong the negotiations. He stated he received a telephone call from Miss Pickford to the effect that Daily Variety carried the story stating that the RKO deal was off because we were unable to find the money to finance it. The Chairman stated that if we do not give them an affirmative answer after today's

meeting we might as well give them a negative answer. While he was in California the Trade Press asked the Chairman for the names of the pictures but he refused to give them.

The Chairman stated that on Friday afternoon he went to see Alex Ardrey and George Yousling at Bankers Trust Company and he came away from there for the first time in a long time encouraged. He explained to them that Sol Lesser told him that he had a finance company with Lou Lurie with $1,500,000 of paid in capital and $3,000,000 of revolving fund credit and he wanted the Chairman to operate this fund as a finance company. The Chairman explained that he would not do this but if a proposition came along that looked attractive he would get in touch with Mr. Lesser. Mr. Ardrey then wanted to know if he could investigate the Lesser proposition and the Chairman stated that he could. Mr. Ardrey asked if Cagney could get a second money loan through Lesser and the Chairman stated that he did not believe that Cagney needed a second money loan but if he did he thought it would be a highly desirable proposition.

The Chairman then told the board that if we expected Bankers Trust Company to go along with us we would have to do certain things right away. He stated that all of these banks would like us to have some man who can and will give them up-to-date information, one who thinks along banking lines to provide them with the type of information they want. The Chairman stated that he talked about this at the coast and said that we would be happy to do it. He said that he felt that the members of the board would approve the employment of such a man.

The Chairman stated that Mr. Ardrey inquired about our cash position and he informed him that it was nil but that we were going to correct that. The Chairman pointed out the pictures which would be delivered in the near future indicate a negative cost of $23,000,000 and Mr. Ardrey figured that that was a 57 weeks supply if we got no more product and unless we had an assured supply of second money this is all the product we are going to get. The Chairman countered that there had never been a continuous supply of second money in this business

but throughout the years there had always been an inexhaustible supply. The Chairman informed Mr. Ardrey that the company did not have second money available and the Owners do not choose to make it available. Mr. Kelly stated that Mr. Yousling is absolutely dependent on the decision of Mr. Ardrey even though he has other partners, such as Irving Trust Company, who express their confidence in us by offering to lend the money for the RKO pictures and Wentworth Johnson stated that we are not going into bankruptcy and that any such talk is ridiculous. The Chairman stated that Bank of America are going to continue as usual and that Security-First National Bank are hoping that we can convince Mr. Ardrey to continue with the producers they previously financed.

The Chairman stated that he has started a cash collection drive in the United States and he is going to try to raise as near $1,000,000 as he can. He stated that it has been done before by most of the companies and we won't have to pay out the money representing the advance payments until the pictures are billed.

The Chairman stated that Security-First National Bank would like very much to make the Cagney loan and, if the Lesser funds should be available to Cagney as second money, he believed it will go through. Mr. Schwartz stated he received a phone call from Mr. Lesser to the effect that he had $1,500,000 in assets, of which $750,000 was in cash and, in addition, a revolving fund credit of $3,000,000 and he wanted to put it at our disposal. He stated that Mr. Lesser also has a seven year studio commitment at RKO Studio. Mr. Schwartz asked Mr. Lesser to submit his proposition in writing but it has not yet arrived.

5. RKO PICTURES

The Chairman stated that the RKO proposal was for the outright purchase of four pictures at cost, which includes 27½% studio overhead. The pictures and their costs are as follows:

INDIAN SUMMER	$1,042,892
RETURN OF THE BADMAN	955,976
OUT OF THE PAST	1,132,431
STATIONS WEST	1,450,743
	$4,582,042

The Chairman stated that the pictures are all in black and white and INDIAN SUMMER and OUT OF THE PAST have already been shipped to England and will therefore be exempt from the ad valorem duty. The Chairman estimated that in the domestic field he could gross a minimum of $6,650,000 on these pictures and deducting 20% as a distribution fee and $700,000 for prints and advertising would leave $4,600,000. Mr. Kelly stated that we could probably realize $1,000,000 on the pictures in the foreign field. Mr. Kelly also stated that the Irving Trust Company would want the note of the company plus some specific collateral, such as the Schenck Life Insurance and a commitment that we may not sell the real estate in Beverly Hills without their approval. The interest rate has not been discussed. There would probably be an over-all maturity date, which might be 18 to 24 months and, if periodic payments are required, he thought they could be arranged to coincide with the returns of the pictures so that the loan will not be a burden. The Chairman stated that INDIAN SUMMER and OUT OF THE PAST are finished but THE RETURN OF THE BADMAN and STATIONS WEST would not be delivered until after January. Mr. Schwartz moved that Management of the company be authorized to buy these pictures provided concurrently therewith they make arrangements for the loan. Mr. Dembow seconded the motion. The Chairman then stated that if his prognostications are wrong the company will have an obligation that might be burdensome. He stated that he explained this to Mr. Johnson of Irving Trust Company and Mr. Johnson urged him to make the deal. He submitted the same idea to Messrs. Ardrey and Yousling and Mr. Ardrey stated that he considered the RKO deal as merely a temporary measure. He was non-commital as to whether or not the corporation should make this deal but he was more interested in the long range view-point. The Chairman then called off a list of pictures which have received little or no play-off or which have not yet been released and indicated that the negative costs of these pictures would aggregate $26,545,000.

He stated that after a person looks at this list he wonders why it is necessary to buy pictures. He stated that the only picture on which there is any doubt of delivery in a reasonable length of time is VENDETTA. The Chairman stated that RKO wants all cash. Mr. Cole suggested that other banks be permitted to participate in the loan, especially Bankers Trust Company. The Chairman suggested that Mr. Cole and Mr. Kelly work with the banks on the financing. Mr. Cole stated that he would like to talk to Mr. Ardrey alone first and then talk to Mr. Giannini in connection with National City Bank. Mr. Kelly stated that he would contact the Irving Trust Company and asked Mr. Cole not to contact said bank. The motion for the purchase of the 4 RKO pictures was then carried unanimously.

Mr. Kelly stated that he sent a wire to Mr. Grant to inquire about the non-bank loan which Mr. Grant stated he could procure for the purchase of the RKO pictures but Mr. Grant replied that he doubted that he could secure a 100% loan now in the face of the publicity given to the matter without an explanation as to why the banks have abandoned it. The Chairman then wired Peter Rathvon of RKO to the effect that the United Artists Board unanimously approved the purchase of the four pictures and that full financing is arranged and asking whom our lawyers must contact to conclude final papers.

6. ROBERT HAKIM

The Chairman read a letter from George Bagnall containing a proposed deal with Robert Hakim for MAYERLING to be produced in technicolor at a cost of $2,250,000 starting December 15, 1947. He has a signed contract with Joan Fontaine to portray the leading role and Cary Grant, Robert Taylor and Ray Milland have indicated their wish to portray the leading role opposite Miss Fontaine but Taylor and Milland are under contracts to other studios. The picture will be directed by one of the top directors in the business and Henry Koster, William Dieterle and John Cromwell are willing to make contracts for direction of the picture. Hakim has been offered a 60% bank loan but he believes the banks will loan

loan 70% on this deal. If we make the deal the picture will be made at General Service Studios and James Nasser, owner, together with Robert Hakim will furnish $337,500 on studio credit, deferments and cash. We can have the release of the picture if we guarantee 15% of the cost over 70% bank loan. This amounts to $337,500 and, in addition, we guarantee completion of the picture. The terms would be 27½% for United States, Canada and England and regular terms throughout the rest of the world and, in addition, we would receive 25% of the profits of the venture. The Chairman stated that he instructed Mr. Bagnall to try to dispose of the completion guarantee. Mr. Schwartz stated that the $337,500 should be paid against delivery of the negative. Mr. Chalif stated that there are two clouds on the title, one in connection with the alien property custodian and the other a situation between Mr. Licht and Mr. Nebenzal. Mr. Schwartz moved that we accept the offer subject to the following:

a. That we do not give the guarantee of completion
b. That our obligation for $337,500 occurs only when the picture is delivered to us
c. That we get a position right after the bank
d. That the entire transaction is contingent upon complete and full and unquestioned title of the producer

Mr. Dembow seconded the motion and it was carried.

7. ALBERT J. COHEN AND JACK GOLDBERG

The Chairman then submitted a proposal from Albert J. Cohen and Jack Goldberg for a proposed distribution contract covering three photoplays to be produced entitled THE BLUE FLAME, I COME FROM GALLOWS HILL and THE MELODY MAN, which are fully financed, the first production THE BLUE FLAME to be in production by January 1, 1948, terms to be 27½% for United States, Canada and England and standard terms for the rest of the world. The Chairman recommended the deal provided a quality clause is inserted providing that each picture is to cost not less than $750,000. Mr. Mills moved that the deal be accepted on this basis. Mr. Schwartz seconded the motion and it was carried.

8. JAMES E. NASSER

The Chairman referred to a proposed distribution deal from James E. Nasser covering a picture to be produced entitled MY DEAR SECRETARY starring Dick Powell, to start on or before February 1, 1948, terms to be 27½% for the United States, Canada and England and standard terms for the rest of the world. Mr. Schwartz moved that this proposal be accepted with the proviso that the picture cost not less than $750,000. Mr. Cole seconded the motion and it was carried.

9. DUBLIN STUDIO

Mr. Kelly then read a letter addressed to Montague Marks by Patrick Farrell and he referred to a proposal for the erection of a studio in the vicinity of Dublin by a Dublin syndicate and of loans by said syndicate for the production of pictures by United Artists Corporation, Ltd. The proposal contains a tie-in with Technicolor for three technicolor pictures per year and the Dublin syndicate would receive interest on its loans plus a bonus of 10%. Distribution of the pictures would be on the basis of 20% for United Kingdom, 35% for United States and Canada and standard terms for the rest of the world. 7½% of the 35% distribution charge would be deferred until the advances on each picture by the Dublin company plus interest have been repaid. It was agreed that Mr. Kelly and Mr. Schwartz are authorized to talk further with Mr. Marks concerning certain features of the contract with the idea of revamping them.

10. GRINIEFF DISPUTE

There was discussion concerning the dispute with Jacques Grinieff and it was agreed that our attorneys should get in touch with him.

11. ENTERPRISE PRODUCTIONS, INC.

The Chairman stated that Charles Einfeld of Enterprise wishes to negotiate a new six picture deal under which we would have domestic distribution only and Loew's would have the foreign distribution. They propose to obtain 80% bank loans and they want the distributors to split the remaining 20% and completion money. Under this arrangement we would receive 20% of the profits. The Chairman stated that the Henry Morgan picture entitled SO THIS IS NEW YORK is being produced by Enterprise under our present distribution contract with them. They want to give us the foreign distribution because Loew's does not want the foreign on this picture. The Chairman stated that he received a wire from George Bagnall concerning a Harry Sherman picture entitled NEW MEXICO that Enterprise has for distribution and they wish us to consider it as a seventh picture under the present Enterprise deal. The Chairman stated that he wishes to wire back that the Board is not interested in NEW MEXICO on any arrangement such as this but if we want NEW MEXICO we will take it on 27½% terms and take it as part of a new arrangement. The Board was in agreement with the Chairman's suggestion.

12. FINANCIAL REPORTS

There were then distributed to the directors present the following reports:

Estimated World-Wide Profit and Loss for the 35 weeks ending August 30, 1947.

Condensed Operating Statement (Foreign only) for the 35 weeks ending August 30, 1947.

Foreign Cabled Report dated August 30, 1947.

Tentative Consolidated Balance Sheet and Tentative Consolidated Income Statement as at June 28, 1947.

13. DIVIDEND

The Chairman referred to the dividend of $140,000 which was declared August 5, 1947 subject to 30 days disapproval by a stockholder, which provision was extended for another 30 days on September 3, 1947. He informed the board that on October 1, 1947 Charles Schwartz telephoned to the Treasurer Mr. Chaplin's disapproval of this dividend and, as a result, the dividend is cancelled.

The meeting then adjourned.

Gradwell L. Sears, Chairman

Harry G. Muller, Secretary

Charge to the account of _____ $

CLASS OF SERVICE DESIRED			
DOMESTIC		CABLE	
TELEGRAM		ORDINARY	
DAY LETTER		URGENT RATE	
SERIAL		DEFERRED	
NIGHT LETTER		NIGHT LETTER	

Please insert check class of service desired; otherwise the message will be transmitted as a telegram or ordinary cablegram.

WESTERN UNION

1211

A. N. WILLIAMS, PRESIDENT — NEWCOMB CARLTON, CHAIRMAN OF THE BOARD — J. C. W[illegible]EVER, FIRST VICE PRESIDENT

CHECK
ACCOUNTING INFORMATION
TIME FILED

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

NOVEMBER 11, 1947

FOLLOWING WIRE TO GO TO NAMES LISTED BELOW:-

ARNOLD M. GRANT	c/o Weisman & Grant, 295 Madison Ave., New York, N.Y.
FRANKLIN L. COLE	c/o Cole, Hoisington & Company, 120 Broadway, New York, N.Y.
CHARLES SCHWARTZ	c/o Schwartz & Frohlich, 1450 Broadway, New York, N.Y.
[illegible] F. JACOBY	c/o Schwartz & Frohlich, 1450 Broadway, New York, N.Y.
E. CLAUDE MILLS	510 Guaranty Trust Building, 522 Fifth Ave., New York, N.Y.
VITALIS L. CHALIF	c/o Leon, Weill & Mahoney, 15 East 26th St., New York, N.Y.
SAM [illegible], JR.	18 East 48th Street, New York, N.Y.

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION WILL BE HELD AT THE OFFICES OF THE CORPORATION AT 729 SEVENTH AVENUE, NEW YORK, N.Y. ON TUESDAY, NOVEMBER 18, 1947 AT 2:30 P.M.

HARRY J. MULLER, ASST.SECRETARY

cc: Mr.Grafwell L.Sears
Mr.Arthur W.Kelly

MINUTES OF MEETING OF BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION

A meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Tuesday, November 18, 1947 at 2:30 P.M.

There were present:

E. Claude Mills
Herbert P. Jacoby
Vitalis L. Chalif
Sam Dembow, Jr.
Charles Schwartz
Arthur W. Kelly
Gradwell L. Sears

constituting a quorum.

There were also present George L. Bagnall, Vice President, Paul D. O'Brien and Harry J. Muller, Assistant Secretaries and, during part of the meeting, Miss Mary Pickford.

Mr. Sears acted as Chairman and Mr. Muller acted as Secretary.

1. NOTICE OF MEETING

The meeting was called pursuant to telegraphic notice attached to these minutes.

2. MINUTES OF PREVIOUS MEETING

Mr. Mills moved to dispense with the reading of the minutes of the previous meeting inasmuch as they were circulated to the directors and stockholders. Mr. Dembow seconded the motion and it was carried.

3. BANKING SITUATION

There was considerable discussion concerning the banking situation and the affairs of the corporation.

4. FRANKLIN C. COLE

Mr. Kelly moved to accept Mr. Cole's resignation as a director of the corporation reading as follows,

"October 24, 1947

Gentlemen:

I resign as a director of United Artists Corporation to be effective at the next meeting of the Board of Directors.

Respectfully submitted,

Franklin Cole"

if agreeable to Miss Pickford. Mr. Mills seconded the motion and it was carried.

5. MUSICOLOR SHORTS

The Chairman stated that David Loew has some Musicolor Shorts which we are handling for him. They have been sold very well but the liquidation is slow and Mr. Loew has a chance to sell sub-standard and television rights. The Chairman stated that he is disposed to give Mr. Loew what he wants if the Board is agreeable. Mr. Schwartz moved that Management be authorized to permit Mr. Loew to sell the sub-standard and television rights. Mr. Mills seconded the motion and it was carried.

6. BLUMENFELD THEATRES IN LOS ANGELES

The Chairman referred to the proposals submitted in the Agenda concerning the two theatres in Los Angeles in which we have a 50% interest. After discussion, Mr. Mills moved that Management be authorized to act on proposition B as stated in the Agenda. Mr. Schwartz seconded the motion but it was not put to a vote. Miss Pickford stated that she would like to see a check on the situation through real estate brokers, Coldwell and Banker, who have a man by the name of Mr. Pfau who is very familiar with matters of this

nature. Mr. Dembow stated that if this company is going to have pictures it should not get rid of its interests in theatres and Miss Pickford stated that she did not consider our share of $150,000 (50% of the $300,000 sales price) sufficient incentive to sell and thereby eliminate competition.

The meeting adjourned until 11 A.M. November 22, 1947, unless called sooner by the Chairman.

Gradwell L. Sears, Chairman

Harry F. Muller, Secretary

Charge to the account of

CLASS OF SERVICE DESIRED			
DOMESTIC		CABLE	
TELEGRAM		ORDINARY	
LETTER		URGENT RATE	
SERIAL		DEFERRED	
NIGHT LETTER		SERIAL LETTER	

Patrons should check class of service desired, otherwise the message will be transmitted as a telegram or ordinary cablegram.

WESTERN UNION

1211

A. N. WILLIAMS, PRESIDENT — NEWCOMB CARLTON, CHAIRMAN OF THE BOARD — J. C. WILLEVER, FIRST VICE-PRESIDENT

CHECK

ACCOUNTING INFORMATION

TIME FILED

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

NOVEMBER 20, 1947

FOLLOWING STRAIGHT WIRE TO GO TO NAMES LISTED BELOW:

CHARLES SCHWARTZ c/o Schwartz & Frohlich, 1450 Broadway, New York, N.Y.
HERBERT P. JACOBY c/o Schwartz & Frohlich, 1450 Broadway, New York, N.Y.
E. CLAUDE MILLS 510 Guaranty Trust Building, 522 Fifth Ave., New York, N.Y.
VITALIS L. GHALIF c/o Leon, Weill & Mahoney, 15 East 26th Street, New York, N.Y.
SAM DEMBOW, JR. 18 East 40th Street, New York, N.Y.
MARY PICKFORD c/o Hotel Pierre, Fifth Ave. & 61st Street, New York, N.Y.

An adjourned Board of Directors Meeting of United Artists Corporation will reconvene on Friday, November 21, 1947 at 11:30 A.M. at the offices of the Corporation, 729 Seventh Avenue, New York City

HARRY J. MULLER, Asst. Secretary

cc: Mr. Gradwell L. Sears
Mr. Arthur W. Kelly

MINUTES OF MEETING OF BOARD OF DIRECTORS
OF UNITED ARTISTS CORPORATION

An adjourned meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Friday, November 21, 1947 at 11:30 A.M.

There were present:

Arthur W. Kelly
E. Claude Mills
Herbert P. Jacoby
Vitalis L. Chalif
Sam Dembow, Jr.
Charles Schwartz
Gradwell L. Sears

constituting a quorum.

There were also present Miss Mary Pickford, George Bagnall, Vice President, Paul D. O'Brien and Harry J. Muller, Assistant Secretaries.

Mr. Sears acted as Chairman and Mr. Muller acted as Secretary.

1. NOTICE OF MEETING

The Meeting was called pursuant to the arrangement made at the close of the previous meeting by telegraphic notice attached to these minutes.

2. BANKING SITUATION

The problems of the company were discussed in detail to which discussion all the directors contributed at great length.

3. SAM BISCHOFF

Mr. Bagnall stated that Sam Bischoff has four pictures to go on his present contract running to December 18, 1949. He is willing to extend his contract for five years from December, 1947 to December, 1952 to cover not less than ten nor more than 25 pictures with a minimum of two pictures a year. The deal is to be exclusive but if Mr. Bischoff submits, in good faith, three stories

and they are rejected, the deal is to be on a non-exclusive basis, the terms to be the same as the present contract, namely, 27½% for United States, Canada and England, standard terms in foreign countries and United Artists to share in prints and advertising as in the present contract. There was considerable discussion concerning this matter and during the discussion Miss Pickford asked to be excused and left the meeting. It was duly moved and seconded that the Bischoff deal as recommended by Mr. Bagnall be accepted except for the provision under which the contract is non-exclusive if three stories that are submitted are rejected. This motion was carried unanimously.

Mr. Bagnall stated that Mr. Bischoff also requested an advance of $100,000 for which he was willing to pay a percentage of the profits. It was agreed that this proposal be rejected.

4. JAMES WONG HOWE

Mr. Bagnall stated that he has a proposal from James Wong Howe for a picture to be produced in China under the title of RICKSHAW BOY. Mr. Howe never directed a picture but he is one of the best camera men in the film industry. The Chairman suggested that Mr. Bagnall endeavor to increase our percentage for United States, Canada and England to 35%, the other foreign countries to remain at standard terms. Mr. Kelly suggested that the deal be subject to our approval of the treatment of the story. It was duly moved and seconded that Management be authorized to make this deal. This motion was carried.

5. COLONY PICTURES, INC.

Mr. Bagnall submitted a proposal from Colony Pictures, Inc. headed by Fanchon Simon and Richard Sale for five pictures to be produced, the first of which would be HAPPY BIRTHDAY. The terms would be 27½% for United States, Canada and England and regular terms for foreign. After discussion, it was duly moved and seconded that Management be authorized to make this deal. This motion was carried.

6. AL ROGELL AND DAVID HERSH

Mr. Bagnall submitted a proposal from Al Rogell and David Hersh for a picture to be produced entitled SONG OF INDIA with Sabu. This matter was tabled.

7. ELLIOTT NUGENT

Mr. Bagnall submitted a proposal from Mr. Nugent for a picture to be made concerning an American sea captain who is landing Jews in Palestine. The story holds up to good light the Jews, the Arabs and the English and the producer is talking about getting Paulette Goddard to star in the picture. The Chairman stated that he believed that this subject is too controversial and the matter was tabled.

8. "THE IRON CROWN"

Mr. Bagnall referred to an Italian picture which has been made and dubbed into English entitled THE IRON CROWN. It is based upon a thirteenth century legendary story concerning a fight between two kings. Mr. Kelly stated that we could get the picture for United States and Canada for 50% of the gross. The Chairman stated that he had not seen the picture and the matter was tabled.

The meeting then adjourned until November 24, 1947 at 2:30 P.M.

Cradwell L. Sears, Chairman

Harry J. Muller, Secretary

MINUTES OF MEETING OF BOARD OF DIRECTORS
OF UNITED ARTISTS CORPORATION

An adjourned meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Tuesday, November 24, 1947 at 2:30 P.M.

There were present:

E. Claude Mills
Vitalis L. Chalif
Sam Dembow, Jr.
Charles Schwartz
Arthur W. Kelly
Gradwell L. Sears

constituting a quorum.

There were also present Miss Mary Pickford, Mr. Feary of Davis, Polk, Wardwell, Sunderland and Kiendl, Paul D. O'Brien and Harry J. Muller, Assistant Secretaries.

Mr. Sears acted as Chairman and Mr. Muller acted as Secretary.

1. CHARLES CHAPLIN

The Chairman stated that the first order of business was the request of Charles Chaplin that the corporation waive the statute of limitations with respect to his claim in connection with THE GREAT DICTATOR. Miss Pickford stated that inasmuch as she was two directors short she requested that this matter be tabled. Mr. Chalif moved that this matter be tabled. Mr. Dembow seconded the motion and it was carried.

2. ARNOLD M. GRANT

Mr. Mills moved to accept the resignation of Arnold M. Grant as a director of the corporation, reading as follows:

"September 19, 1947

United Artists Corporation
729 Seventh Avenue
New York, New York

Gentlemen:

I hereby resign as a member of the Board of Directors of United Artists Corporation.

Yours very truly,

Arnold M. Grant"

Mr. Chalif seconded the motion and it was carried.

3. ENTERPRISE PRODUCTIONS, INC.

The Chairman read a letter from Enterprise Productions, Inc. dated November 19, 1947 which referred to the advances collected by the company and also to certain advertising expenses paid by Enterprise Productions, Inc. to the extent of $64,000. The letter contends that the corporation has violated the distribution contract with respect to these matters. The Chairman stated he discussed this letter with Paul O'Brien who states that none of the action taken by United Artists Corporation constitutes a breach. Enterprise have retained the law firm of Phillips, Nizer, Benjamin and Krim. The Chairman stated that Enterprise wish us to distribute the Sherman western THEY PASSED THIS WAY, starring Joel McCrea on 25% terms, advertising expenses to be deducted from the gross and Mr. Sears refused. Enterprise also advised the Chairman that they wished to consider SO THIS IS NEW YORK starring Henry Morgan as the sixth picture under the distribution contract although the terms provide that the sixth picture shall be equal to pictures three, four and five. The Chairman advised Enterprise that he wanted to see the picture first.

4. HUNT STROMBERG

The Chairman stated that it had come to his attention that Hunt Stromberg was in process of negotiation or had negotiated a deal with Eagle-Lion. He has a deal with us which is an extension of a former distribution contract

and the Chairman felt that he had no right to negotiate with any other distributing concern. Paul O'Brien stated that he examined the Stromberg file and United Artists Corporation does not have an exclusive contract. Mr. Schwartz requested that the file be re-examined to determine whether the exclusive services of Hunt Stromberg are not tied into our deal in some manner.

5. ODEON THEATRES, LTD.

Mr. Kelly stated that Mr. Sears and he were informed by Mark Ostrer that there was an article in the London Times concerning a consolidation of General Cinema Finance Corporation, Ltd. with Odeon Theatres, Ltd. He then talked to David Coplan, who is ill in London, and learned that this matter was taken up at a Board of Directors meeting of Odeon Theatres, Ltd. last Friday and that Mr. Coplan immediately sent an air mail letter explaining what transpired at the meeting but this letter has not yet arrived. Mr. Kelly explained that General Cinema Finance Corporation owns General Film Distributors, which is the Rank distributing company and also owns control of Gaumont-British. Mr. Kelly has been informed that the General Film Distributors has an overdraft of £5,000,000 and in all probability General Cinema Finance Corporation might be obligated. Mr. Coplan stated on the phone that Mr. John Davis gave the reason for the consolidation as the shortage of pictures due to the ad valorem tax and the fact that Gaumont-British makes pictures which, under the consolidation, would be available to the Odeon Theatres. This does not seem to be true as we were always under the impression the English pictures made by Rank were split between Gaumont-British and Odeon. Mr. Kelly stated that he would talk to Mr. Coplan further on this matter and it might be necessary for him to go to England in connection with it.

6. MONTEREY PRODUCTIONS, INC.

There was discussion concerning the non-delivery of RED RIVER by

Monterey Productions, Inc., and the Chairman suggested that counsel take whatever steps are necessary to protect our interest.

7. BLUMENFELD THEATRES IN LOS ANGELES

The proposal submitted to the meeting of November 18th was again discussed and it was agreed that the matter be tabled to be brought back to the Board on the request of Management.

8. EDWARD GOLDEN

The Chairman explained that Edward Golden requested us to make an investment of $70,000 in connection with the financing of a picture to be entitled TEXAS, HEAVEN and BROOKLYN. The picture is budgeted at $700,000, the bank loan is arranged at $420,000, the completion bond will be furnished by General Service Studio and the other financing is arranged except for $70,000. For this sum United Artists Corporation would get a second mortgage to come right after the bank and would receive 25% of the profits. The cast includes Guy Madison, Diana Lynn and James Dunne. Mr. Kelly stated that Mr. Bagnall likes the story and he would like to see it through. Mr. Mills moved that Management be authorized to make this deal. Mr. Dembow seconded the motion and it was carried.

9. ODEON THEATRES, LTD. SHARES

Mr. Kelly reported that the 82,992 Ordinary Shares of Odeon Theatres, Ltd. were sold for approximately £135,000.

10. W. R. FRANK PRODUCTIONS

The Chairman stated that the contract with W. R. Frank Productions for DAN PATCH had not yet been ratified by the Board of Directors. Mr. Mills moved that the Board ratify this contract. Mr. Chalif seconded the motion and it was carried.

11. SIGNING AUTHORITY OF H. J. MULLER

Mr. Muller called attention to the fact that certain banks have objected to the resolution adopted by the Board of Directors March 19, 1945, which provides that all checks or other instruments for the withdrawal of funds shall be signed by Harry J. Muller and countersigned by another officer, since the wording of this resolution in effect cancels the blanket resolution of January 3, 1936. It was therefore,

RESOLVED, that the resolution adopted at the Board of Directors meeting held March 19, 1945 giving special signing authority to Harry J. Muller in connection with the various bank accounts of United Artists Corporation be and is hereby cancelled, and

FURTHER RESOLVED, that in addition to the signing authority in connection with the regular bank accounts of United Artists Corporation given to the officers by the Board of Directors under date of January 3, 1936, Harry J. Muller is hereby authorized to sign checks or other instruments for the withdrawal of funds from the regular bank accounts in conjunction with any other officer of the corporation.

12. ENGLISH QUOTA PICTURE

The Chairman stated that David Coplan asked for authority to enter into an agreement with Diadem Films, Ltd. for another William's Story picture. This will be an English Quota picture, Coplan is to have a financial interest in it and United Artists Corporation, Ltd. would get the distribution in Great Britain. Although similar authority was given with respect to two previous Quota pictures, Miss Pickford objected to Mr. Coplan having such an interest and Mr. Schwartz suggested that the arrangement be made contingent upon United Artists Corporation, Ltd. acquiring the interest from Mr. Coplan.

13. DUBLIN STUDIO

Mr. Kelly suggested that this matter be tabled until more information is received.

14. "MOON AND SIXPENCE"

The Chairman stated that David Loew has requested us to give up our distribution rights on MOON AND SIXPENCE, which was originally released in 1942. Mr. Kelly and the Chairman both recommend that these rights be given up on condition that we get a release of all claims from the producer. It was duly moved and seconded that Management be authorized to terminate MOON AND SIXPENCE on this basis. This motion was carried.

15. OFFICE IN MEXICO

Mr. Kelly stated that our office in Mexico continually runs at a loss but to close it up would cost $40,000, a large part of which would be severance pay. He stated that he is trying to work out an amalgamation under which someone would take it over for a franchise.

16. ARNOLD STOLTZ

The Chairman stated that he received a proposal from Arnold Stoltz for the distribution of a picture to be made from the story entitled BIG RED. It is the story of an Irish Setter. The script would be done by John Tainter Foote. The entire picture would be made in Cinecolor and would cost between $275,000 and $300,000 and would be delivered in the fall of 1948. This matter was tabled.

17. EDWARD SMALL

The Chairman stated that Edward Small is requesting a distribution contract for four pictures to be made within the next year, two pictures at a negative cost between $200,000 and $400,000 and two pictures at a negative cost between $650,000 and $1,000,000. Terms would be 27½% for United States, Canada and England but the other terms of the contract would be on the basis of the old Small distribution contract with United Artists Corporation in which the distributor shares in prints and advertising. Mr. Small would be willing to have a penalty clause under which he would be penalized 2½% if he fails to deliver within

a year. He stated that he could not make an exclusive contract because he has prior commitments. He also requested a provision to be operative in the event United Artists cannot make a Circuit deal in Great Britain. It was suggested that Management negotiate further with Mr. Small.

18. ST.LOUIS LEASE

The Chairman stated that the lease of the St.Louis office expires May 31, 1948. The present rental is $350 per month. He requested approval of a new nine year lease at a rental of $500 per month with a cancellation clause which can be made effective by payment of the following penalties:

If cancelled after five years but less than six years	$5,000
If cancelled after six years but less than seven years	3,750
If cancelled after seven years but less than eight years	2,500
If cancelled after eight years	1,250

Mr. Schwartz moved that Management be authorized to make this lease. Mr. Dembow seconded the motion and it was carried.

19. BEVERLY HILLS REAL ESTATE

Mr. Kelly stated that he received a telegram from the real estate brokers, Coldwell and Banker which states that the sales price of this property free of the present lease would be approximately $210,000 and the rental in the near future would be $24,000 per annum. He stated however that this is academic as the property is now occupied. Mr. Kelly said he would like to have a price put on this real estate. This matter was tabled at the request of Miss Pickford who stated that she wished to wait until she gets back to California so that she can talk to Mr. Pfau of Coldwell and Banker.

After a discussion of the affairs of the company, the meeting adjourned.

Harry J. Muller, Secretary

Gradwell L. Sears, Chairman

Charge to the account of

$

DOMESTIC SERVICE — TELEGRAM, DAY LETTER, NIGHT LETTER, ORDINARY, DEFERRED, NIGHT LETTER

WESTERN UNION

1911

GREEN

ACCOUNTING INFORMATION

TIME FILED

A. N. WILLIAMS, PRESIDENT — NEWCOMB CARLTON, CHAIRMAN OF THE BOARD — J. C. WILLEVER, FIRST VICE-PRESIDENT

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

DECEMBER 5, 1947

PLEASE SEND THE FOLLOWING STRAIGHT WIRE TO:

MR. S. CLAUDE MILLS 630 Guaranty Trust Bldg., 522 Fifth Ave., New York, N.Y.
MR. [illegible] HOWARTH c/o Schwartz & Frohlich, 1450 Broadway, New York, N.Y.
MR. HERBERT P. JACOBY c/o Schwartz & Frohlich, 1450 Broadway, New York, N.Y.
MR. VITALIS L. CHALIF c/o Lenn, Weill, & Mahoney, 15 East 26th St., New York, N.Y.
MR. SAM [illegible], JR. 13 E. East 68th St., New York, N.Y.
MR. PAUL R. O'BRIEN c/o O'Brien, Driscoll, Rafferty & Lasker, 152 East 42nd St., N.Y.C.
MISS MARY PICKFORD c/o Hotel Pierre, Fifth Ave. & 61st St., New York, N.Y.

A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION WILL BE HELD AT THE OFFICE OF THE CORPORATION, 729 SEVENTH AVENUE, NEW YORK, N.Y., MONDAY, DECEMBER 8, 1947 AT 2:30 P.M., FOR THE PURPOSE OF DISCUSSING AND CONSIDERING OUR POSITION WITH RELATION TO NON-DELIVERY OF CERTAIN PICTURES AND FOR SUCH OTHER AND FURTHER MATTERS AS MAY COME BEFORE THE MEETING. COUNSEL WILL BE PRESENT.

HARRY J. [illegible], ASST. SECRETARY

cc: Mr. [illegible]
Mr. Arthur W. Kelly

MINUTES OF MEETING OF BOARD OF DIRECTORS
OF UNITED ARTISTS CORPORATION

A special meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Monday, December 8, 1947 at 2:30 P.M.

There were present:

Herbert P. Jacoby
E. Claude Mills
Charles Schwartz
Sam Dembow, Jr.
Vitalis L. Chalif
Gradwell L. Sears

constituting a quorum.

There were also present, Arthur Driscoll and Paul O'Brien of O'Brien, Driscoll, Raftery and Lawler, Harry J. Muller, Assistant Secretary and, during part of the meeting, Miss Mary Pickford.

Mr. Sears acted as Chairman and Mr. Muller acted as Secretary.

1. NOTICE OF MEETING

The meeting was called pursuant to telegraphic notice attached to these minutes.

2. UNDELIVERED PICTURES

There was considerable discussion concerning undelivered pictures. It was duly moved and seconded that counsel be authorized to take aggressive and vehement action in connection with the notices received from Cagney Productions, Inc. and to take whatever steps they consider necessary. This motion was carried.

In connection with the Enterprise Productions, Inc. situation, it was duly moved and seconded that counsel be authorized to,

1. Answer the letter from Enterprise Productions, Inc.,

2. Make a demand for ARCH OF TRIUMPH,

3. Notify all other film companies of our position, and

4. Take any other action that counsel deems advisable.

This motion was carried.

3. ODEON

The Chairman read to the meeting two cables he received from London from Mr. Kelly, One of them concerns a proposal for a Price, Waterhouse investigation in connection with the acquisition of General Cinema Finance Corporation by Odeon Theatres Limited. The other cable relates to the appointment of Winston Guest as Chairman of our English subsidiary and Arthur W. Kelly as a Director. After discussion, it was moved and seconded that Mr. Kelly have full power to instruct counsel to take such action as he considers necessary to protect the company's interest. This motion was carried.

4. "CAVALCADE OF RADIO"

The Chairman stated that he received a proposal from Jerrold Brandt for a distribution contract to cover a picture to be produced under the title of CAVALCADE OF RADIO, terms to be 27½% for United States, Canada and England and standard terms in other foreign territories, 2½% of the United States gross to be subordinated. The Chairman stated that the picture would probably be delivered in late 1948 or early 1949 and he recommended that the proposal be accepted. Upon motion duly made, Management was authorized to make this deal.

5. "TANGA NEEKA"

The Chairman stated that he received a letter from Mr. Mills for a proposed distribution contract covering a motion picture to be made under the title of TANGA NEEKA from footage to be shot on an expedition to East Africa. At the request of Mr. Mills this matter was tabled.

6. CHRISTMAS BONUSES

After discussion, it was duly moved and seconded that Christmas Bonuses be not granted this year primarily because of the general world situation.

7. COMET PRODUCTIONS, INC.

After discussion, it was duly moved and seconded that the Comet Productions, Inc. distribution contract be extended nine months from its present termination date. This motion was carried.

The meeting then adjourned.

Gradwell L. Sears, Chairman

Harry J. Muller, Secretary

Charge to the account of _____ $ _____

CLASS OF SERVICE DESIRED			
DOMESTIC		CABLE	
TELEGRAM		ORDINARY	
DAY LETTER		URGENT RATE	
SERIAL		DEFERRED	
NIGHT LETTER		NIGHT LETTER	

Patrons should check class of service desired, otherwise the message will be transmitted as a telegram or ordinary cablegram.

WESTERN UNION

1211

A. N. WILLIAMS, PRESIDENT — NEWCOMB CARLTON, CHAIRMAN OF THE BOARD — J. C. WILLEVER, FIRST VICE-PRESIDENT

CHECK

ACCOUNTING INFORMATION

TIME FILED

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

DECEMBER 11, 1947

FOLLOWING WIRE TO GO TO NAMES LISTED BELOW:

CHARLES SCHWARTZ c/o Schwartz & Frohlich, 1430 Broadway, New York, N.Y.
HERBERT P. JACOBY c/o Schwartz & Frohlich, 1430 Broadway, New York, N.Y.
R. CLAUDE MILLS 820 GUARANTY TRUST BLDG., 522 Fifth Avenue, N.Y., N.Y.
VITALIS L. CHALIF c/o Leon, Weill & Mahoney, 15 East 36th Street, New York, N.Y.
SAM DEMBOW, JR. 15 East 40th Street, New York, N.Y.

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION WILL BE HELD AT THE OFFICES OF THE CORPORATION AT 729 SEVENTH AVENUE, NEW YORK, N.Y. ON TUESDAY, DECEMBER 16, 1947 AT 2:30 P.M.

HARRY J. MULLER, ASST. SECRETARY

cc: Mr. Gradwell L. Sears
Mr. Arthur W. Kelly

MINUTES OF MEETING OF BOARD OF DIRECTORS
OF UNITED ARTISTS CORPORATION

A meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, 729 Seventh Avenue, New York, N.Y., Tuesday, December 16, 1947 at 2:30 P.M.

There were present:

E. Claude Mills
Herbert P. Jacoby
Vitalis L. Chalif
Sam Dembow, Jr.
Charles Schwartz
Gradwell L. Sears

constituting a quorum.

There were also present, Arthur Driscoll and Paul O'Brien of O'Brien, Driscoll, Raftery and Lawler, H. J. Muller, Assistant Secretary and, during part of the meeting, Miss Mary Pickford and Mr. Peter J. A. Cusack.

Mr. Sears acted as Chairman and Mr. Muller acted as Secretary.

1. NOTICE OF MEETING

The meeting was called pursuant to telegraphic notice attached to these minutes.

2. ODEON

The Chairman read to the meeting a number of cablegrams which he received from London from Arthur W. Kelly pertaining to Odeon matters. After discussion, it was duly moved and seconded that the power given to Mr. Kelly at the last meeting of the Board of Directors be broadened so that Mr. Kelly is authorized to engage counsel and he and counsel may take whatever action and steps he and they deem advisable to protect the interests of United Artists Corporation and United Artists Corporation, Ltd. in Odeon Cinema Holdings, Ltd. and Odeon Theatres, Ltd. This motion was carried.

3. PETER J. A. CUSACK

At this point Miss Pickford entered the meeting and explained that she wished to have Mr. Peter J. A. Cusack elected as a director. Mr. Cusack then entered the meeting and was introduced to those present. Upon motion duly made and seconded, Mr. Cusack was elected as a director in place of Franklin Cole, resigned.

Mr. Sears then reviewed the Odeon situation for the benefit of Miss Pickford and Mr. Cusack.

4. UNDELIVERED PICTURES

Counsel made a report in connection with undelivered pictures and there was discussion concerning the affairs of the corporation.

5. BRAZILIAN LOAN

The Chairman explained that subsidiary, U.A.of Brazil, Inc., owes United Artists Corporation approximately $20,000 for prints, titles and accessories but does not have funds available to pay. According to Brazilian law, invoices must be paid within thirty days from the date customs duties have been paid or they are subject to a fine of 1% per month. Brazil suggests that these invoices be converted into "capital entering the country" which could then be remitted in five yearly instalments. To avoid blocking this money, our Foreign Department suggests that we borrow between 400,000 and 500,000 Cruseiros, which is approximately equivalent to $20,000, from the National City Bank. This money would then be remitted to New York in payment of the purchase account. The interest rate would be 9% per annum. Upon motion duly made and seconded, the proper officers were authorized to sign the National City Bank's Continuing Form of Guaranty in connection with a loan of not to exceed 500,000 Cruseiros.

6. BILLS RENDERED

Mr. Schwartz referred to certain bills rendered by The Pickford Corporation and others approximating $17,000. It was duly moved and seconded that these bills be accepted by the corporation and that payment thereof be authorized. This motion was carried, all directors voting in favor except Mr. Sears, who voted "No" for the reason he does not believe this to be a proper charge. With respect to the bill of Leon, Weill and Mahoney, Mr. Chalif requested that he be recorded as not voting.

Mr. Schwartz stated that Mr. Chaplin made a trip East in connection with certain matters relating to United Artists Corporation and incurred expenses of approximately $3,000, details of which Mr. Schwartz does not have. Upon motion duly made and seconded, it was moved that the expenses of Mr. Chaplin, in connection with his trip East, not exceeding $3,000 be paid to him. This motion was carried, Mr. Sears voting "No" for the same reason as stated above.

7. "TANGA NEEKA"

Inasmuch as Mr. Mills was interested in this matter he left the meeting. After discussion, it was duly moved and seconded that Mr. E.C.Mills be granted a distribution contract for TANGA NEEKA at our regular terms and that counsel be instructed to prepare the necessary document. This motion was carried unanimously. Mr. Mills then returned to the meeting.

The meeting then adjourned.

Gradwell L. Sears, Chairman

Harry J. Muller, Secretary

Scanned from the United Artists collection at the Wisconsin Center for Film and Theater Research.

Digitization and post-production completed in the University of Wisconsin-Madison's Department of Communication Arts, with funding from the Mary Pickford Foundation.

www.marypickford.org

www.mediahistoryproject.org